PITMAN'S BUSINESS MAN'S GUIDE



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A HANDBOOK FOR ALL ENGAGED IN BUSINESS

BY

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"PITMAN'S COMMERCIAL ENCYCLOPÆDIA"

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PREFACE

TO THE

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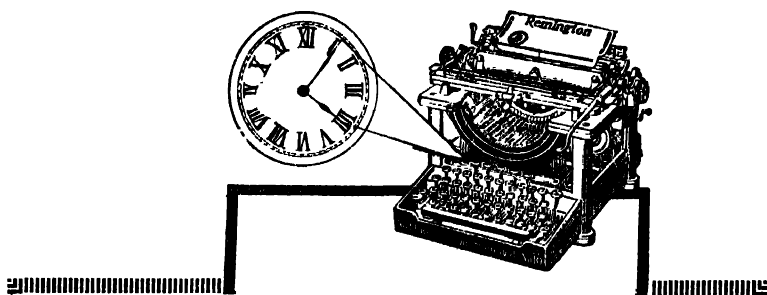
THE aim of the present volume is sufficiently indicated by its title, and the book itself is intended to be a compendium for the business man and a repository of commercial information of every character and description.

Within the limits of a volume of this size it is obvious that the many matters dealt with cannot be treated in an exhaustive fashion. For some of them, at least, special works must be consulted. But, as a ready reminder, it is believed that the information to be gathered from these pages is of such a character as will assist a business man in an emergency, and will clear up doubts and difficulties which are of every-day occurrence.

For the sake of convenience, and as a help to those engaged in foreign correspondence, the French, German, Spanish, and Italian equivalents of English commercial terms and phrases have been given in every case.

The publishers will be glad to receive any criticisms from their readers, in order that the Guide may be rendered as accurate and serviceable as possible; and they tender their most cordial thanks for the valuable suggestions received from various quarters since the publication of the first edition.

NOTE.—*Business Man's Guide* is supplied to the Trade on such terms that it cannot be sold to the public at less than the published price.



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PITMAN'S
BUSINESS MAN'S GUIDE

A. This letter occurs in several contractions used in business. The principal of these are the following :—

@, for, at, or to.
A/C, Account Current.
A/c, Account.
A/d, After Date.
A/o, Account of.
A/S, After Sight.
A/s, Account Sales.
Agt., Agreement.
Ats., At the Suit of.

A 1. (Fr. *De premier ordre*, Ger. *ersten Ranges, erster Klasse, hochfein*, Sp. *De primer orden*, It. *Di primo ordine.*)

This is the mark which is employed in Lloyd's Register of Shipping to denote first-class vessels. The letter itself indicates the character of the hull of the vessel, as being built in the best manner. The numeral 1 indicates the efficient state of the stores, cables, anchors, etc. A new ship is registered in Class A for a period varying from four to fifteen years ; and at the expiration of that period the registration may be renewed on condition that her seaworthy condition has been retained by repairs. Periodical surveys are made to see that the first-class character of the vessel is maintained.

The mark A1 is very frequently applied to goods to denote that they are of the very best quality.

ABANDONMENT. (Fr. *Délaissement*, Ger. *Abtretung, Überlassung*, Sp. *Abandono*, It. *Abbandono.*)

In a policy of marine insurance, abandonment is of the essence of a claim for constructive total loss. It has been judicially defined as a "cession or transfer of the ship from the owner to the underwriter, and of all his property or interest in it, with all the claims that may arise from its ownership, and all the profits that may arise from it, including the freight then being earned."

A ship may not be actually lost or completely destroyed, but it may be reduced to a "mere wreck or congeries of planks," and its cargo may be so damaged as to exist only in the shape of a nuisance. This is called a constructive total loss, and the test to be applied seems to be this, that no prudent shipowner would go to the expense of repairing or re-instating the vessel, because the market value of the renovated vessel would probably be less than the cost of restoration. The insured then abandons the vessel or goods to the underwriter and claims to recover on his policy as for a total loss.

Notice of abandonment must be given within a reasonable time by the owner after he has received reliable intelligence of the loss. It need not necessarily be in writing—it may be either express or implied from the conduct of the insurer—but it must be certain, unconditional, and of the whole thing insured. Where notice of abandonment is properly given, the rights of the insured are not prejudiced by the fact that the insurer refuses to accept the abandonment; but when once the notice has been accepted, abandonment is irrevocable. Of course, notice of abandonment may be waived by the insurer; and where it is a case of re-insurance of the risk, no notice at all is required to be given by the insurer.

The term "abandonment" is used in connection with actions at law, when either a plaintiff or a defendant desires to put an end to legal proceedings. The technical term for the abandonment of an action (Fr. *Abandon*, Ger. *Aufgabe*, Sp. *Abandono*, It. *Abbandono*) is discontinuance. This can always be effected upon certain terms, generally upon payment of the whole of the costs which have been incurred.

ABATEMENT. (Fr. *Baisse, bonification, rabais, réduction, remise*, Ger. *Ermässigung, Nachlass*, Sp. *Baja, rebaja, reducción, remisión*, It. *Bonificazione, ribasso, riduzione, abbassamento.*)

The meaning of this term is allowance, and it is most generally used in connection with the remission made from the total of a person's income when assessing him for the purpose of the income tax.

ABLE BODIED SEAMAN. (Fr. *Bon matelot, bon marin, gabier,* Ger. *Voll—* or *Obermatrose,* Sp. *Marino robusto,* It. *Marinaio valido, marinaio abile.*)

This is the name given to a skilled sailor, who thoroughly understands navigation and is able to take his place in any part of the ship.

ABOVE PAR. (Fr. *Au-dessus du pair,* Ger. *über Pari,* Sp. *Sobre el par,* It. *Sopra alla pari.*)

When the price of stocks or shares or other securities is higher than their nominal value, they are said to be "above par," or at a premium.

ABRASION OF COIN. (Fr. *Action d'enlever par le frottement, frai,* Ger. *Abnutzung,* Sp. *Merma,* It. *Erosione di moneta.*)

This means loss of weight which coins undergo in passing from hand to hand, or from being brought into contact with one another.

An English sovereign must not be issued by the Master of the Mint weighing less than 123·27447 grains, nor more than 123·47447 grains. There is thus a remedy allowance of ·2 grain. If the coin is reduced in weight below 122·5 grains it ceases to be legal tender. By law a person who has such a coin handed to him ought to cut or to deface it, and the offeror will have to bear the loss, for the mutilated coin has no more than its bullion value. In practice this is rarely done except at the Bank of England and at certain Government offices.

ABSTRACT OF TITLE. (Fr. *Précis de titre,* Ger. *Kurzer Begriff des Titels,* Sp. *Sumario del titulo,* It. *Sommario di titolo.*)

An outline of the evidence of the ownership of anything is called its abstract of title. The name is generally applied to the document which sets out in chronological order the dates, nature, and material parts of the deeds, wills, settlements, or other documents which affect the title of a person to land. From an inspection of this document, a purchaser or a mortgagee is able more readily to deduce the title to the property which is in question. The first deed which is referred to in the abstract is called the "root of title."

ACCEPTANCE. (Fr. *Acceptation,* Ger. *Annahme,* Sp. *Aceptación,* It. *Accettazione, accetto.*) (See *Contract, Sale.*)

ACCEPTANCE FOR HONOUR. (Fr. *Acceptation par intervention, par honneur,* Ger. *Annahme per Intervention, Ehrenannahme,* Sp. *Aceptación por el honor,* It. *Accettazione per intervento.*)

"Where a bill of exchange has been protested for dishonour by non-acceptance, or protested for better security, and is not overdue, any person, not being a party already liable thereon, may, with the consent of the holder, intervene and accept the bill suprà protest, for the honour of any party liable thereon, or for the honour of the person for whose account the bill is drawn."

The acceptance for honour must be written on the bill and signed by the acceptor, who engages by his acceptance to pay the bill according to its tenor, if it is not paid by the drawee. The liability of the acceptor for honour extends to the holder and to all parties to the bill subsequent to the one for whose honour he has accepted.

A bill may be accepted for honour for a part only of the sum for which it is drawn.

ACCEPTANCE OF BILL OF EXCHANGE. (Fr. *Acceptation,* Ger. *Annahme,* Sp. *Aceptación,* It. *Accettazione.*)

The word "acceptance" alone is frequently used to signify a bill of exchange itself, but the acceptance of a bill is really the writing across the face of the document by which the drawee signifies his assent to the order of the drawer.

An acceptance is invalid unless it complies with the following conditions, namely :—

(*a*) It must be written on the bill and be signed by the drawee. The mere signature of the drawee without additional words is sufficient.

(*b*) It must not express that the drawee will perform his promise by any other means than the payment of money.

The usual mode of acceptance is for the drawee to write the word "accepted" across the face of the bill and to add his signature. But it is seen, by the wording of the Bills of Exchange Act, 1882, referred to above, that the signature alone is sufficient. It is probable that the acceptance is complete if the drawee writes what purports to be an acceptance upon the back of a bill. When the bill is drawn payable at a certain period after sight, the date of the acceptance should be added so that the due date of payment may be known. If a bill is payable at a specified place only, the place must be named together with the acceptance.

Acceptance, like every other contract on a bill of exchange, is incomplete and revocable until delivery of the instrument has been made in order to give effect to it.

A bill may be accepted :—

(1) Before it has been signed by the drawer, or while otherwise incomplete ;

(2) When it is overdue, or after it has been dishonoured by a previous refusal to accept, or by non-payment.

Unless the contrary appears by its terms, a bill of exchange is *primâ facie* presumed to have been accepted before maturity and within a reasonable time after its issue, but there is no presumption as to the exact time of acceptance.

The rules as to acceptance vary in different countries. By German Exchange Law an acceptance once written cannot be cancelled. The Netherlands Code is to the same effect. In France, as in England, an acceptance may be cancelled by the drawee as long as he retains possession of the bill *quâ* drawee. By the common law a verbal acceptance was sufficient, and the common law still prevails in some of the states of North America. Signature of the drawee without any other words, is sufficient in Germany, though not in France. The Spanish Code requires the precise term "accepted" to be used.

Acceptances are either general or qualified. A general acceptance is one which assents without qualification to the order of the drawer. A qualified acceptance in express terms varies the effect of the bill as drawn. A qualified acceptance may be

(*a*) Conditional; that is, dependent upon a condition stated in the acceptance.

(*b*) Partial; that is, an acceptance to pay a part only of the amount for which the bill is drawn.

(*c*) Local; that is, an acceptance to pay at a particular place, and there only.

(*d*) Qualified as to time, when a bill drawn for three months is accepted for six.

(*e*) An acceptance by some and not by all the drawees, when there are more than one.

German Banking Law admits a partial acceptance, but makes any other qualification a refusal to accept. French Law admits a partial acceptance, but prohibits a conditional one. England and the United States are the only countries which allow conditional acceptances.

(1) "The holder of a bill may refuse to take a qualified acceptance, and, if he does not obtain an unqualified acceptance, may treat the bill as dishonoured by non-acceptance.

(2) "Where a qualified acceptance is taken, and the drawer or an indorser has not expressly or impliedly authorised the holder to take a qualified acceptance, or does not subsequently assent thereto, such drawer or indorser is discharged from his liability on the bill.

"The provisions of this sub-section do not apply to a partial acceptance, whereof due notice has been given. Where a foreign bill has been accepted as to part, it must be protested as to the balance.

(3) "When the drawer or indorser of a bill receives notice of a qualified acceptance, and does not within a reasonable time express his dissent to the holder, he shall be deemed to have assented thereto."

(Bills of Exchange Act, 1882, s. 44.)

If the acceptor of a bill of exchange desires to qualify his acceptance, he must do so on the face of the bill in clear and unequivocal terms, and so that any person taking the bill could not, if he acted reasonably, fail to understand that it was accepted subject to an expressed qualification.

A forged or unauthorised signature is wholly inoperative, and no holder of a bill can acquire any right through the same. An unauthorised signature not amounting to a forgery may be ratified.

"Where a simple signature on a blank stamped paper is delivered by the signer in order that it may be converted into a bill, it operates as a *primâ facie* authority to fill it up as a complete bill for any amount the stamp will cover, using the signature for that of the drawer, or the acceptor, or the indorser; and, in like manner, when a bill is wanting in any material particular, the person in possession of it has a *primâ facie* authority to fill up the omission in any way he thinks fit."

Any such dealing with blank stamped paper must be within reasonable time, and strictly in accordance with the authority given. The dealing with such incomplete, or inchoate, instruments is fraught with danger, and no business man should have anything to do with them.

The person who accepts a bill as agent must make it clear upon the face thereof that he accepts in that capacity ; otherwise he will be personally liable

under his signature. Thus, if A. is the manager of X. & Co., and signs an acceptance thus, "A., Manager," he will be personally liable as acceptor, since he has simply described himself by naming the position which he occupies; but if he signs "For X. & Co., A., Manager," it is made clear that he is signing in a representative capacity, and his personal liability is excluded.

As to liability under an acceptance, see *Acceptor*, and as to the duties of the holder of a bill, see *Presentment for Acceptance*.

ACCEPTOR. (Fr. *Accepteur*, Ger. *Acceptant*, Sp. *Aceptante*, It. *Accettante*.)

The acceptor is the person who accepts a bill of exchange drawn upon him. Until the bill is accepted, he is called the drawee. There is no liability attached to the drawee until he has signed the bill and become an acceptor.

The acceptor must have capacity to contract. An infant cannot be sued upon a bill of exchange, even though the bill was given for the price of necessaries. If he is sued at all, it must be upon the consideration. Lunacy and drunkenness are defences in an action on a bill against immediate parties, though not against a holder in due course. (N.B.—Immediate parties, in connection with bills of exchange, are those whose names are next to each other in order. Thus, the drawer and the acceptor, the acceptor and the first indorser, the first and the second indorsers, and so on, are immediate parties. All others are remote parties.)

The acceptor must be the person who is named in the bill as drawee. A bill cannot be addressed to one person and accepted by another. Any attempted acceptance of this kind does not make the person who signs liable as an acceptor, though it is possible that, having signed, he may be liable as an indorser.

The acceptor is the person who is primarily liable upon the bill. By accepting he engages to pay it according to the tenor of his acceptance, and he is precluded from denying to a holder in due course—

(1) The existence of the drawer, the genuineness of his signature, and his capacity and authority to draw the bill;

(2) In the case of a bill payable to the drawer's order, the then capacity of the drawer to indorse, but not the genuineness or validity of his indorsement;

(3) In the case of a bill payable to the order of a third person, the existence of the payee and his then capacity to indorse, but not the genuineness or validity of his indorsement.

There may be other estoppels, that is, matters which cannot be denied by the acceptor, arising out of the circumstances of the case. The above arise on the bill itself.

The acceptor may be sued upon the bill at any time within six years from its maturity. (N.B.—The extension of time allowed by reason of the emergency legislation of 1914 and onwards is only a temporary change made in the law owing to exceptional circumstances.)

If the acceptor has received no consideration for the bill he is in no way liable upon the instrument to the drawer, nor is he liable to any other party to the bill until value has been given by some party in respect of it. (See *Consideration, Holder*.)

In addition to an ordinary acceptor, there is also a person who is known as an "acceptor for honour," that is, one who undertakes to accept liability under the bill in case the same is dishonoured by non-acceptance or non-payment on the part of the acceptor. Such person is also called a "referee in case of need." By the Bills of Exchange Act, 1882, s. 15, it is provided, "the drawer of a bill and any indorser may insert therein the name of a person to whom the holder may resort in case of need, that is to say, in case the bill is dishonoured by non-acceptance or non-payment. . . . It is in the option of the holder to resort to the referee in case of need, or not, as he may think fit." Of course, the referee must signify his willingness to accept his position, and he does so by writing across the bill, in addition to his signature, "Accepted S.P." (i.e., *suprà protest*), or "Accepted for the honour of A. B.," naming the person for whose honour the bill is accepted *suprà protest*. If no name is mentioned, the acceptance is presumed to be for the honour of the drawer. By this species of acceptance, the acceptor for honour engages to pay the bill according to the tenor of his acceptance, in case it is dishonoured by the drawee, provided it has been duly presented and that he has had notice of the fact. His liability extends to the holder and to all parties to the bill subsequent to the party for whose honour he has accepted.

ACCIDENT INSURANCE. (Fr. *Assurance contre les accidents*, Ger. *Unfallversicherung*, Sp. *Seguro contra los*

accidentes, It. *Assicurazione contro gli infortuni accidentali.*)

This class of insurance, although to some extent a contract of indemnity, is more especially an undertaking to pay a certain specified sum in the event of death or injury from accident. The insurer, in the case of an accident happening, and his paying the sum named in the policy, is not subrogated to the rights of the assured. Therefore an assured person (or his representative in case of death) is not precluded from claiming damages in respect of the injury he has sustained (or his death) because he has effected an insurance against such a contingency.

The stamp upon such a policy is one penny. Three Acts of Parliament, passed in 1889, 1891, and 1896 respectively, have provided for the compounding of insurance duties to meet the cases of certain periodicals which insure their subscribers against accidental death or injury.

The premium payable upon an accident insurance policy varies according to the nature and extent of the risk which is undertaken.

As to insurance against accidents to workmen, see *Workmen's Compensation*. The fullest information as to all kinds of accident insurances, can easily be obtained from the various insurance companies, and to them application should be made as to premiums, conditions, etc.

ACCOMMODATION BILL. (Fr. *Billet de complaisance*, Ger. *Gefälligkeitspapier*, *Proformawechsel*, Sp. *Letra de acomodación*, *billete de deferencia*, *pro forma*, It. *Cambiale di favore*, *lettera di accomodamento.*)

A bill of this kind, which is known by the various names of a "fictitious bill," a "kite," or a "windmill," is one to which a person has put his name, either as drawer, acceptor, or indorser, without receiving any consideration for the same. So long as no value has been given for such a bill no party is liable to pay the amount of the same; but directly value has been given by any of the parties a holder in due course (see *Holder*) has a right to proceed against any of the signatories, even though he knows that the bill was originally only an accommodation one.

The persons who draw, accept, or indorse such a bill are known as "accommodation parties."

An accommodation bill is discharged when it is paid by any person who is in reality, though not formally, the principal debtor.

The form of an accommodation bill is the same as that of any other bill of exchange. It is the evidence adduced which must prove that it was given without value, and that it still retains its accommodation character.

ACCORD AND SATISFACTION. (See *Contract, Discharge of.*)

ACCOUNT. (A/c.) (Fr. *Compte*, Ger. *Konto*, *Rechnung*, Sp. *Cuenta*, It. *Conto.*)

This is a general term for all arithmetical calculations. Amongst merchants the name is applied to formal statements relating to goods, services, or values. It may be a statement of business transactions, showing their debits and credits, with the balance in hand or that due.

ACCOUNT BOOKS. (Fr. *Livres de comptes*, Ger. *Geschaftsbucher*, *Kontobucher*, *Rechnungbucher*, Sp. *Libros de cuentas*, It. *Libri di conti.*)

These are the books in which accounts are recorded. (See *Book-keeping.*)

ACCOUNT, CAPITAL. (See *Capital Account.*)

ACCOUNT CURRENT. (A/C.) (Fr. *Compte courant*, Ger. *Kontokorrent*, *laufende Rechnung*, Sp. *Cuenta corriente*, It. *Conto corrente.*)

This is a statement giving the particulars of the transactions which have been carried on between two persons or firms for a certain definite period. The term is in general applied to the copy of a personal account contained in the Ledger, sent to the person with whom the account is running, showing the exact state of the account between the parties. All the items of the account are stated in detail.

ACCOUNT DAYS. (Fr. *Jours de règlement*, *jours de paie*, *de liquidation*, Ger. *Abrechnungstage*, *Liquidationstage*, *Skontrotage*, *Zahltage*, Sp. *Dias de liquidación*, *de pago*, *de ajuste de cuentas*, It. *Giorni di liquidazione.*)

Account days are certain days fixed by the Committee of the Stock Exchange for the settlement of bargains entered into by the members. There are usually two account days (or settlement days, as they are often called) each month—one about the middle and the other at the end. (See *Stock Exchange.*)

ACCOUNT PAYEE. (See *Cheque.*)

ACCOUNT, PROFIT AND LOSS. (Fr. *Compte de profits et pertes*, Ger. *Gewinn- und Verlustrechnung*, Sp. *Cuenta de provechos y pérdidas*, It. *Conto dei profitti e delle perdite.*)

Merchants and other traders keep profit and loss accounts for their own information. These accounts show, on the debit side, all items of loss or expense, such as bad debts, depreciation, gas, insurance, rent, repairs, salaries, trade charges, wages, wear and tear; and, on the credit side, all items of gain or profit. The following may be debit or credit items: commission, dividends, interest, according as they are received or paid. When the profit and loss account shows a nett gain, the balance is placed on the credit side of the capital account; when it shows a nett loss, the balance is entered on the debit side.

ACCOUNT SALES. (A/S.) (Fr. *Compte de vente*, Ger. *Verkaufsrechnung*, Sp. *Cuenta de venta*, It. *Conto di vendita o di netto ricavo.*)

This is the name given to a document sent by an agent or broker to a principal for whom he has sold goods. Such a document must indicate :—

(*a*) The weight, gauge, measure, etc., of the goods sold;

(*b*) The price obtained per unit, and the total price, or gross proceeds;

(*c*) Any expenses, such as freight, dock charges, insurance, etc., paid by the agent;

(*d*) The charges of the agent for brokerage or commission;

(*e*) The nett proceeds, i.e., the balance remaining after deducting expenses, and the agent's charges from the gross proceeds.

ACCOUNT STATED. (Fr. *Compte rendu*, Ger. *Rechenschaftsbericht*, Sp. *Rendimiento de cuenta*, It. *Rendiconto.*)

This is an account between parties showing a balance which has been agreed upon. When any party to an account stated seeks to impeach its truth, the burden of proof lies upon him; whereas in an open account the rule is the exact opposite.

ACCOUNT, STOCK EXCHANGE. (Fr. *Compte de Bourse*, Ger. *Börsengeschäfte "auf Zeit,"* Sp. *Liquidación*, It. *Liquidazione.*)

Transactions in the transfer of stock are said to be "for the account" when a settlement is to be made at a certain period over which the account extends. In Government securities and other stocks transferable at the Bank of England the settlement is made monthly; in the case of other stocks and shares, there are generally two settlements each month. (See *Stock Exchange.*)

ACCOUNT, SUSPENSE. (Fr. *Compte en suspens*, Ger. *Konto sospeso*, Sp. *Cuenta en suspenso*, It. *Conto in sospeso.*)

Owing to various causes, such as deaths, oversights, or postal irregularities, debits and credits occasionally arise which cannot at once be entered to any particular account. Such items are temporarily entered in the suspense account until the information arrives which disposes of them with certainty, when they are transferred to their proper places.

ACCOUNTANT. (Fr. *Comptable, teneur de livres*, Ger. *Bücherrevisor, Rechnungsführer*, Sp. *Contador, tenedor de libros*, It. *Contabile, tenitore di libri.*)

An accountant is a person who is skilled in commercial and official affairs in general, and the accounts relating thereto in particular.

Accountants are generally employed in preparing, investigating, and auditing the accounts of traders, making up statements of affairs, collecting accounts, etc.

There are, at present, no restrictions placed upon any man who calls himself an accountant, though an effort is being made to raise the status and qualifications of those who practise as such. The Institute of Chartered Accountants (established in 1870, and incorporated by royal charter in 1880), is most active in this direction, and will admit no man as a member who has not passed its recognised examinations and received a certain amount of proper training. Full particulars are obtainable from the Secretary, Moorgate Place, E.C. The other associations of accountants are the Society of Incorporated Accountants and Auditors (50, Gresham Street, E.C.), the Corporation of Accountants (55, West Regent Street, Glasgow), the Central Association of Accountants (Moorgate Station Chambers, E.C.), and the London Association of Accountants, Ltd. (Temple Chambers, Temple Avenue, E.C.). There is a Society of Accountants in Edinburgh, an Institute of Accountants and Auditors in Glasgow, and an Institute of Chartered Accountants in Ireland. A similar society has been established in Aberdeen, and there are several recognised bodies abroad.

By holding himself out as a person possessing skill in accounts, an accountant is liable to any person who employs him if he is guilty of negligence, or lack of proper care and skill, in carrying out his duties and so causes a loss to be sustained by such employer; and as a master is always liable, *primâ facie*, for a loss caused by the negligence of his

servant, when acting in the ordinary course of his duties, an accountant is liable for the negligence of his clerks or assistants. With the increase of business and as the heavy responsibilities attached to accountancy become greater and greater, a new system of insurance, known as "Accountants' Indemnity Insurance" has recently sprung up to provide against losses which may be incurred through such losses or negligence of the kind just noticed.

The remuneration of an accountant is generally fixed by agreement. In the absence of such agreement the remuneration must be fair and adequate. Under the bankruptcy practice, the following charges are allowed :

For preparing balance sheet, investigating accounts, etc., principal's time, exclusively so employed, per day of seven hours, including necessary affidavit, £1 1*s.* to £5 5*s.*

Chief clerk's time, 10*s.* 6*d.* to £1 11*s.* 6*d.*

Other clerk's time, 7*s.* 6*d.* to 16*s.*

These charges include stationery, except forms used.

A COMPTE. Fr. on account ; it means a payment in part.

ACRE. (Fr. *Acre,* Ger. *Morgen,* Sp. *Acre,* It. *Acro, jugero inglese.*)

The original meaning of this word was a field, or piece of open ground. Its signification is now restricted to a measure of land.

The English statute acre consists of 4,840 square yards. There are 640 acres in a square mile. The Irish acre is larger than the English, 100 of the former being equal to 162 of the latter. The Scottish acre is also larger than the English, 48 of the former being equal to 61 of the latter. The English statute acre is equal to about two-fifths, or 0·4046 of the French hectare, which is now the principal unit of land measure in most of the countries of the world. In the United States the measure of an acre is the same as in England.

ACT OF BANKRUPTCY. (Fr. *Acte qui entraîne l'état de faillite,* Ger. *Konkursgesetz,* Sp. *Acto que constituye el estado de quiebra,* It. *Atto che provoca o genera il fallimento.*)

When a person does an act upon which a bankruptcy petition may be founded, he is said to have committed an act of bankruptcy. The act must have been committed within three months previous to the presentation of the bankruptcy petition. If there is more than one such act of bankruptcy, the title of the trustee in bankruptcy relates back to the earliest act proved to have been committed within three months preceding the presentation of the petition.

Each of the following is an act of bankruptcy, under section 1 of the Bankruptcy Act, 1914, on the part of the debtor :—

(1) If in England or elsewhere he makes a conveyance or assignment of his property to a trustee or trustees for the benefit of his creditors generally.

(2) If in England or elsewhere he makes a fraudulent conveyance, gift, delivery, or transfer of his property or of any part thereof.

(3) If in England or elsewhere he makes any conveyance or transfer of his property, or any part thereof, or creates any charge thereon which would, under any other Act, be void as a fraudulent preference if he were adjudged bankrupt.

(4) If with intent to defeat or delay his creditors he does any of the following things, namely, departs out of England, or being out of England remains out of England, or departs from his dwelling-house, or otherwise absents himself, or begins to keep house.

(5) If execution against him has been levied by seizure of his goods under process in an action in any court, or in any civil proceedings in the High Court, and the goods have been either sold or held by the sheriff for twenty-one days; Provided that, where an interpleader summons has been taken out in regard to the goods seized, the time elapsing between the date at which such summons is taken out and the date at which the proceedings on such summons are finally disposed of, settled, or abandoned, shall not be taken into account in calculating such period of twenty-one days.

(6) If he files in the court a declaration of his inability to pay his debts, or presents a bankruptcy petition against himself.

(7) If a creditor has obtained a final judgment against him for any amount, and, execution thereon not having been stayed, has served on him in England, or, by leave of the court, elsewhere, a bankruptcy notice under the Act of 1914, and he does not, within seven days after service of the notice, in case the service is effected in England, and in case the service is effected elsewhere, then within the time limited in that behalf by the order giving leave to effect the service, and he does not, within seven days, either comply with the

requirements of the notice or satisfy the court that he has a counter-claim, set-off, or cross-demand which equals or exceeds the amount of the judgment debt or sum ordered to be paid, and which he could not set up in the action in which the judgment was obtained, or the proceedings in which the order was obtained. For the purposes of this paragraph and of the section of the Act of 1914 referring to bankruptcy notices, any person who is, for the time being, entitled to enforce a final judgment or final order, shall be deemed to be a creditor, who has obtained a final judgment or final order.

(8) If the debtor gives notice to any of his creditors that he has suspended, or that he is about to suspend, payment of his debts. (N.B.—This notice may be either verbal or in writing.)

With regard to the second and the third of the acts of bankruptcy, it is the fraud implied in the conveyance which makes it contrary to law. If it were not so, a person with many creditors, seeing that insolvency was impending, might easily defeat the aim of an equitable division of his property by preferring one or more creditors, and leaving the rest totally unprovided for. A fraudulent preference of this kind made any time within three months before the bankruptcy is liable to be set aside. Conveyances of property made for valuable consideration are unaffected by the Act, and a *bonâ fide* voluntary conveyance or gift, although it may be set aside, will not of itself furnish ground for presenting a petition.

The fourth act of bankruptcy refers to the actions of a debtor in using any method to keep out of the way of his creditors, either by absenting himself from his usual place of abode, or remaining secluded there and denying himself to all persons.

There is one other act of bankruptcy to be found in section 107 of the Act of 1914, which provides that where an application is made, under sect. 5 of the Debtors Act, 1869, by a judgment creditor to a court having bankruptcy jurisdiction for the committal of a judgment debtor, the court may decline to commit and may make a receiving order. In such a case, the judgment debtor is deemed to have committed an act of bankruptcy.

ACT OF GOD. (Fr. *Acte de Dieu, force majeure*, Ger. *Fügung Gottes, höhere Gewalt*, Sp. *Acto de Dios, fuerza mayor*, It. *Caso fortuito, forza maggiore.*)

This is a phrase always met with in bills of lading. It signifies some unforeseen accident or natural cause which could not have been prevented by any reasonable foresight.

No person is legally liable for any loss arising through an Act of God.

ACT OF HONOUR. (Fr. *Acte d'intervention, intervention*, Ger. *Intervention, Notadresse*, Sp. *Acto de intervención*, It. *Accettazione per onore o per intervento.*)

This term is used when a person, not already liable upon it, accepts or pays a dishonoured bill of exchange, after protest, for the honour of (that is, to save the reputation of) the drawer, or one of the indorsers.

ACTIO PERSONALIS MORITUR CUM PERSONA. This is a legal maxim which signifies that a personal action dies with the person. The operation of the rule is now limited to torts, that is, to wrongs independent of contract, which are not triable by criminal process, and even this limitation has been further narrowed by statutes.

Causes of action arising out of a contract are quite as much "personal" actions as those arising out of a tort, but with the exception of actions for breach of promise of marriage (unless special damage is proved), and for purely personal contracts, such as the hiring of a servant, etc., the maxim does not apply to them. If one of the parties to a contract dies, and an action has to be brought subsequently upon the contract, the executor or the administrator of the deceased person is entitled to sue or is liable to be sued upon it. But the rule was the opposite as regards torts. No matter how great the injury done or suffered, the death of either party at once put an end to any cause of action.

The statutory exceptions to the common law rule, so far as the real and personal estate of a deceased person are concerned, are contained in two Acts of Parliament, one of the reign of Edward III, and the other of the reign of William IV. The combined effect of these statutes, and the judicial interpretation of them, is that executors and administrators have now the same rights of action, and are liable themselves to be sued in the same manner, as the deceased testators or intestates. The injury must have been done within six months before the date of the death, and the action brought within six months after the time when the executors or administrators have entered upon their office.

The most general and important exception, however, is that created by the passing of what is known as Lord Campbell's Act, in 1846. This Act, which was amended by another Act passed in 1864, provides that the personal representatives of a deceased person can sue for damages for the benefit of his near relatives if his death was caused by circumstances of such a character that he would himself, if he had lived, have had a cause of action on account of the injuries received by him. Action must be taken within six months of the death by the representatives of the deceased, otherwise those parties who would benefit by the damages awarded, if any, are entitled to bring an action themselves.

By the Employers Liability Act, 1880, and the Workmen's Compensation Act, 1906, a right of action, or the right to an award on arbitration, is given to the dependants of a working man killed in the ordinary course of his employment.

The maxim is not applicable in Scotch law, because the right of action transmits against the representatives of a wrong-doer, in so far as they benefit by the succession to the deceased. Likewise a claim for damages transmits to the representatives of the sufferer.

ACTION. (Fr. *Action, procès*, Ger. *Klage, Prozess*, Sp. *Acción, proceso*, It. *Azione, processo.*)

An action is defined as "a civil proceeding commenced by writ, or in such other manner as may be prescribed by rules of court." It may be taken, under certain conditions, either in the High Court or in the proper county court. (The "proper" county court is, generally speaking, that of the district in which the defendant resides, or in which the cause of action, or a part thereof, arose. It is only by leave that an action can be tried elsewhere.) But a plaintiff must be careful to choose the county court if the action can properly be tried there, or he may find himself deprived of the costs of the proceedings, even though he happens to be successful in establishing his claim. By sect. 116 of the County Courts Act, 1888, it is enacted, "with respect to any action brought in the High Court which could have been commenced in the county court, the following provisions shall apply: if in an action founded on contract the plaintiff shall recover a sum less than twenty pounds, he shall not be entitled to any costs of the action, and if he shall recover a sum of twenty pounds or upwards, but less than fifty pounds (see *infra*), he shall not be entitled to any more costs than he would have been entitled to if the action had been brought in a county court; unless a Judge of the High Court certifies there was sufficient reason for bringing the action in that court, or unless the High Court or a Judge thereof at Chambers shall by order allow costs." If the action is one of tort, that is, in respect of a civil action which arises independently of contract, the same rule applies, but the amounts are ten and twenty pounds respectively, instead of twenty and fifty, that is, High Court costs are allowed if a judgment for twenty pounds or upwards is given, county court costs if the judgment is for a sum between ten and twenty pounds, and no costs if the amount awarded is under ten pounds. An action may be commenced in the High Court, and afterwards remitted to a county court. This frequently happens in actions of contract, where the claim does not exceed £100, unless one of the parties can show good reason why the case should not be sent for trial to a county court, and also in chancery proceedings, for the jurisdiction of county courts in chancery cases is applicable where the value of the matter in dispute does not exceed £500. Cases are also sometimes remitted on the application of one of the parties when the other party is unable to give security for the payment of costs likely to be incurred if he proves unsuccessful in the action. In the winding-up of joint-stock companies, the jurisdiction of those county courts which have the right to hear such matters extends to those companies whose capital does not exceed £10,000. There are a few cases, especially actions for breach of promise of marriage, libel, and slander, which *must* be commenced in the High Court, although they may afterwards be remitted to a county court.

By an Act passed in 1903, which came into force in 1905, the jurisdiction of the county courts was extended to £100, instead of £50 as formerly, and consequently "one hundred" must now be read in place of "fifty" in the section quoted above.

The division of the High Court in which proceedings are to be taken will depend upon the nature of the matter in dispute. Many matters connected with shipping, such as salvage, bottomry, and the mortgages of ships, must be

dealt with in the Admiralty Division. Those which have reference to trusts, the administration of the estates of deceased persons, partnership questions, patents, trade-marks, and a few others, especially those dealing with charges on land, must be dealt with in the Chancery Division. The winding-up business of companies is conducted by one or more of the Chancery Judges in turn. But as to the bulk of the disputes which can arise out of commercial matters, action must be taken in the King's Bench Division, or, if commenced in another division, it will be transferred there. A special court, called the Commercial Court, has been established in this Division for the trial of causes "arising out of the ordinary transactions of merchants and traders; amongst others, those relating to the construction of mercantile documents, export or import of merchandise, affreightment, insurance, banking, and mercantile agency and mercantile usages."

An action is commenced in the High Court by a writ of summons, which is a command to the defendant to appear and to answer to a claim made by the plaintiff. The nature of the claim is briefly stated in the indorsement of the writ. The writ must be served personally or through an agent who has authority to accept service, though, in special cases, other modes of service must be resorted to. (See *Writ.*) Within eight days of the service of the writ, the defendant must make up his mind whether he will allow judgment to go against him by default or contest the claim. If he resolves upon the latter course he must enter an appearance. The sequel will depend upon the nature of the indorsement and the defence which is set up. In some cases, especially in actions on bills of exchange, or for the amount due for goods sold and delivered, the whole matter may be quickly disposed of by what is known as a specially indorsed writ and procedure under Order XIV. But if this course is not possible, the plaintiff will, after a summons for directions which fixes the procedure to be adopted, generally deliver a document called a statement of claim, in which the particulars of his cause of action against the defendant will be set forth more fully than in the indorsement of the writ. The defendant, in turn, will deliver his defence, and in addition will state any counter-claim or set-off which he desires to raise against the plaintiff. A counterclaim is a distinct cause of action set up by the defendant against the plaintiff. It need not have any connection whatever with the subject-matter of the plaintiff's claim. A set-off is a kind of defence, stating the cause or reason by which the plaintiff's claim should be held to be satisfied to the extent of the set-off. To this defence and counterclaim (if any) the plaintiff sometimes replies. These are called the pleadings in the action. Many other steps may be taken before the case comes on for trial. If there are documents to which reference ought to be made, each party must allow the other to inspect and to take copies of them, and he may be compelled to declare on affidavit (*q.v.*) what documents he has in his possession relating to the subject-matter of the action. Again, in order to clear the ground and leave the issue to be tried as simple as possible, either the plaintiff or the defendant may obtain an order to put certain interrogatories to his opponent, that is, questions as to matters relevant to the case in dispute, which questions must be answered on oath, and may be used at the trial. In due course the trial takes place, all the points raised by the parties in the pleadings are adjudicated upon, and judgment is pronounced.

A plaintiff may always discontinue his action and a defendant may always apply to withdraw his defence before the case comes on for trial. This is only allowed upon terms, generally the payment of the costs incurred, although other conditions may in certain cases be imposed.

Instead of taking proceedings to the High Court in London, it is always possible to proceed in the provinces in the different Assize Courts, to which the judges of the High Court go down at stated times and try all cases, civil and criminal, arising within the district of the court.

The judgment depends entirely upon the nature of the claim. If the plaintiff fails to make out his case, judgment is given against him, and he is generally condemned in the costs of the proceedings. If he succeeds, he obtains an order for relief, varying according to circumstances. In most cases of contract the relief takes the form of an award of damages in money. But it is open to the court in some cases, for example, the sale of goods, to decree what is known as specific performance,

that is, to make an order that the contract itself shall be performed according to its terms. It may also order, if it thinks fit, that the contract shall be rescinded. In partnership actions the judgment may order a dissolution of the partnership, and an account to be taken of the transactions between the partners. Another form of relief is injunction, which is the opposite of specific performance. The defendant is thereupon ordered to refrain from doing certain things which he has claimed to have a right to do. This is the ordinary form of judgment, either alone or in addition to an account, which a successful plaintiff obtains in cases of patents, copyright, etc. In cases of interpleader the court decides which of two parties is entitled to goods, etc., which are held by a third and independent person.

A judgment would be of little or no value unless the court gave special means of enforcing it. If it consists of an order to do, or to refrain from doing, certain things, the party in default renders himself liable, unless he obeys the order, provided that it has been served upon him, to have a writ of attachment issued against him for contempt of court, and he may then be ordered to be imprisoned during the court's pleasure, or until he obeys the judgment. But if the judgment is an award of money damages, a writ of execution is the usual mode in which it is enforced. The most common form is that known as a writ of *fi. fa.*—a contraction of *fieri facias*—which commands the sheriff to seize and to sell the goods of the debtor in satisfaction of the debt. If the order commands that the lands of the debtor are to be seized, it is called a writ of *elegit*. When satisfaction cannot be obtained in either of these ways, and the debtor is entitled to receive money from any source, there is a method of attaching his interest by what is known as equitable execution. A receiver is appointed who is empowered to collect the debt and to take what is necessary to meet the claims of the creditor. Again, if it appears that there are debts owing to the debtor, a garnishee order may be obtained, under which the debtors of the debtor will be compelled to pay over the amount of their debts to the creditor instead of to the debtor, and will obtain a discharge for so doing. If the debtor is entitled to any stocks, shares, etc., a charging order will sometimes be granted, which will have the effect of preventing him from dealing with the same without due notice to the creditor. If all these means fail, a judgment creditor will sometimes serve a bankruptcy notice on the judgment debtor; and, if this is not complied with, there is an act of bankruptcy (*q.v.*) committed upon which bankruptcy proceedings may be instituted. Before proceeding to this extremity, a judgment creditor will carefully consider what amount of satisfaction he is likely to derive from this course of action.

Lastly, if a debtor is contumacious, and refuses to pay his judgment debts, and if it is proved that he has had the means of doing so since the date of the judgment, he may be brought up before the court upon a judgment summons, and sentenced to a term of imprisonment for any period not exceeding six weeks.

When action is taken in a county court, the proceedings are commenced by what is called a plaint, or, in certain cases where the claim is for a liquidated amount, by a default summons. This kind of summons is issued by leave of the registrar upon an affidavit showing cause. There is a special procedure with respect to actions on bills of exchange, and there are special rules to be observed in cases under the Employers Liability Act and in arbitrations under the Workmen's Compensation Act. The last two must be commenced in a county court. But generally the steps in a county court action, except that there are no formal pleadings as in the High Court, are similar to those in a High Court action, and judgments may be enforced in the same manner as detailed above.

An appeal may be brought from a decision of the High Court to the Court of Appeal, and afterwards from the Court of Appeal to the House of Lords. From a county court an appeal lies to a Divisional Court of the King's Bench Division, a tribunal which is composed of two or three judges. There is no appeal, without the leave of the county court judge, in cases where the subject matter in dispute is of less value than £20, and in all cases the appeal must be from the decision of the judge upon a point of law. By the County Court Bill, which has been before Parliament for several sessions, it has been proposed to extend this right of appeal, both on points of law and of fact, and not to limit the sum in dispute to £20. No appeal from a county court can go beyond the Divisional Court, that is, to the Court of

Appeal or afterwards to the House of Lords, without special leave. Appeals under the Workmen's Compensation Act go direct from the county court to the Court of Appeal.

With the exception of ambassadors and their suites, the English courts have, in general, jurisdiction - and therefore an action at law can be maintained-- over all persons resident in this country, in respect of all transactions therein. If an alien settles in England and has a fixed determination of making his permanent home here, he is said to possess an English domicil (*q.v.*), and it is immaterial whether he intends to become a naturalised citizen or not. Aliens who are not domiciled are subject in all respects to the law of England, so long as they are resident here; and it is the general opinion, although the point is not quite free from doubt, that their capacity to enter into the ordinary mercantile contracts is governed by the law of this country when the contracts are made in England. In other matters the capacity to contract is determined by the law of the domicil. For example, a domiciled Frenchman cannot contract a valid marriage in England unless he has the capacity to do so by the law of France.

When, however, a contract is made between two persons with respect to a transaction to be carried out in another country, two other questions arise: (1) In which country is an action to be brought for breach of the contract? (2) What are the rights and liabilities which arise under the contract?

In the first place, it must be noticed that the English courts will refuse to entertain any jurisdiction as to any contract concerning land abroad. This is on the ground that it would be impossible to give effect to a judgment which might not be in harmony with the ideas and the law of the country in which the land was situated. Thus, if a dispute arises as to immovable property, that is, land, in France, the parties must resort to the French courts for a settlement of their differences, even though the disputants are resident in England. The same rule applies if the land is in Scotland or Canada, for since the systems of law of these countries are different from the law of England, their law is considered as much foreign law as the law of France, although each of them forms a part of the British Empire.

A contract relating to movable property is valid in all parts of the world, if it is valid by the law of the country where it is made; and for this purpose a contract is presumed to have been made at the place where the acceptance of an offer is signified. Therefore, if a contract is made abroad between two aliens, or between an Englishman and an alien, who afterwards take up their residence in this country, an action may be brought upon it in the English courts. But if the plaintiff alone is resident in England, the possibility of bringing an action in an English court will depend upon whether service of the writ can be effected upon the defendant. The cases in which this can be done are fully set out in Order XI of the Rules of the Supreme Court. If the English courts refuse to entertain jurisdiction, the plaintiff must have recourse for any remedy to the courts of the country in which the defendant resides. (See *Conflict of Laws.*)

In case of a tort committed abroad, the English courts will assume jurisdiction, if both parties are in this country, and the act complained of is illegal by the law of England and also wrongful by the law of the country in which it was committed.

When an action is brought in a foreign country and judgment obtained against a defendant who is resident in England and has no property in the country where the judgment is pronounced, an action may be brought upon the judgment in this country, and, unless any irregularity is proved, it will be enforced here. The action upon the foreign judgment must be brought, in England, within six years of the date of the judgment, as it is considered in no other light than as a simple contract debt. An English plaintiff who obtains a judgment in an English court can obtain similar satisfaction in the majority of civilised states.

ACTIVE BONDS. (Fr. *Titres au porteur*, Ger. *Aktivobligationen*, Sp. *Seguridades al portador*, It. *Titoli al portatore.*)

These are bonds which bear a fixed interest, payable in full from the date of issue. Most negotiable bonds are of this kind.

ACTIVE CIRCULATION. (Fr. *Circulation effective*, Ger. *Notenumlauf*, Sp. *Circulación efectiva*, It. *Circolazione effettiva.*)

This is a banking expression, and has reference to the notes of a bank of issue which are actually in the hands of the public.

ACTIVE PARTNER. (Fr. *Associé*

gérant, Ger. *geschäftsführender Teilhaber*, Sp. *Socio gerente*, It. *Socio gerente.*)

An active partner is one who takes a working part in the business or trading concern which in part belongs to him. A partner who simply provides capital, and takes no active part whatever in the business, is called a dormant or sleeping partner, or he may be a limited partner under the Limited Partnership Act, 1907. (See *Partnership.*)

ACTUARY. (Fr. *Actuaire*, Ger. *Aktuar, Gerichtsschreiber*, Sp. *Actuario*, It. *Attuario.*)

An actuary is a person skilled in the calculation of the value of life annuities and insurances from mortality tables and upon mathematical principles, and in the preparation of reports, etc., in connection with insurance matters generally.

He is also a person who makes the periodical actuarial report required by the Assurance Companies Act, 1909. This report, which must be made every five years in accordance with certain forms set out in the Act, is a *résumé* of the financial condition of the company. A copy of the report must be deposited with the Board of Trade within six months of its preparation, and a printed copy must be forwarded to every shareholder and policy-holder of the company upon application.

The Institute of Actuaries has its offices at Staple Inn Hall, W.C.; and the Faculty of Actuaries in Scotland is located at 14, Queen Street, Edinburgh.

AD REFERENDUM. (Fr. *Contrat provisoire, ad referendum*, Ger. *zu weiterer Erwägung*, Sp. *Contrato provisorio*, It. *Contratto provvisorio.*)

The meaning of this Latin phrase is "to be further considered." Ad referendum contracts are sometimes made by public companies and others, and the term then means that a contract has been signed for the supply of certain articles, but that there are some minor points left to be settled, which require further consideration.

AD VALOREM. (Fr. *De la valeur, sur la valeur*, Ger. *nach dem Werte*, Sp. *Ad valorem*, It. *Secondo il valore, ad valorem.*) Latin, "according to value."

(1) A customs *ad valorem* duty is a percentage charge made upon the value of certain goods, and not upon their weight or quantity.

(2) An *ad valorem* stamp duty is a duty payable in respect of certain documents, and varies with the value of the subject matter dealt with by the document.

ADHESIVE STAMPS. (See *Stamp Duties.*)

ADJUDICATION ORDER. (Fr. *Déclaration de faillite*, Ger. *Fallimentsanzeige*, Sp. *Mandato de adjudicación*, It. *Sentenza dichiarativa del fallimento.*)

This is an order made in bankruptcy proceedings against a debtor upon a resolution passed by the creditors, by which the debtor is adjudged a bankrupt and his property vested in a trustee for the benefit of the creditors. The court may be induced to adjudge a debtor a bankrupt even when the creditors have come to no decision on the subject at their meetings, and also

(*a*) If the creditors hold no meeting at all.

(*b*) If a proposed composition or scheme of arrangement falls through.

(*c*) If the debtor has absconded and failed to give a proper account of his affairs.

An adjudication order must be duly advertised in the *Gazette*.

Under certain circumstances, an adjudication may be annulled.

ADJUSTMENT. (Fr. *Règlement d'avaries*, Ger. *Havarieaufmachung, Seeschadenberechnung*, Sp. *Ajuste de averias*, It. *Stima dell' avaria.*)

This term is used in marine insurance to signify the exact amount of indemnity to which the insured is entitled under the policy, when all deductions and proper allowances have been made. The policy is generally indorsed by the underwriters as follows:—

"Adjusted this loss at - - per cent., payable at —."

ADMEASUREMENT. (Fr. *Mesurage*, Ger. *Ausmessung*, Sp. *Cabida*, It. *Misura, misurazione.*)

This word means the measurement made in order to ascertain the tonnage of a ship.

ADMINISTRATION, LETTERS OF. (See *Executor, Will.*)

ADMINISTRATION ORDER. (Fr. *Gestion*, Ger. *Konkurs*, Sp. *Gestión*, It. *Mandato di amministrazione.*)

This is an order made by the court in the case of small bankruptcies for the summary administration of the estate of the debtor. (See *Bankruptcy.*)

ADMINISTRATOR. (Fr. *Administrateur*, Ger. *Verwalter*, Sp. *Administrador*, It. *Amministratore.*) (See *Executor.*)

ADVANCE. (Fr. *Avance*, Ger. *Vorschuss*, Sp. *Adelanto*, It. *Anticipazione.*)

This is a prepayment usually sent by merchants, brokers, or agents to the consignor of goods upon receipt of invoice

or the bill of lading. The term is also applied to money lent by a banker to tradesmen and others for business purposes.

ADVANCE NOTES. (Fr. *Billets d'avance*, Ger. *Vorschussanweisungen*, Sp. *Vales de adelantos*, It. *Boni di anticipazione.*)

Advance notes are drafts upon the owner or agent of a vessel given by the master to the seamen when they sign their articles of agreement. Advance notes are, as a rule, for a month's wages; and, as they are payable three days after the sailing of the ship, they enable the seamen to leave some provision for their relatives ashore.

ADVENTURE, BILL OF. (Fr. *Aventure*, Ger. *Avanturbrief*, *Spekulation*, Sp. *Recibo provisorio*, It. *Avventura.*)

This is a document signed by a merchant which states that the goods on board a vessel are the property of another, who is to run all risk, the merchant only binding himself to account for the produce.

ADVICE. (Fr. *Avis*, Ger. *Avis*, *Bericht*, Sp. *Aviso*, It. *Avviso.*)

In commerce, the word "advice" is used to signify information or instructions respecting trade communicated by letter. Thus, an advice is generally sent by one banker, or merchant, to another, to inform him of the drafts or bills drawn upon him, with full particulars of their amount, date, and the persons to whom they are payable. This document, which is also termed a "letter of advice," prevents mistakes, and at times enables forgeries to be detected; for, when bills of exchange are presented for acceptance or for payment, either can be refused for want of advice.

The term is also used to signify an opinion of counsel or others, a commercial report, or a notification of the arrival or the despatch of goods.

ADVICE NOTE. (Fr. *Note d'avis*, Ger. *Benachrichtigungszettel*, Sp. *Nota de aviso*, It. *Biglietto d'avviso.*)

An advice note is a letter giving its receiver information that some particular transaction either has been or is about to be effected on his behalf. It is usual to send an advice note as to the arrival of consignments, the despatch of goods, the payment of accounts, and the shipment of goods.

AFFIDAVIT. (Fr. *Affirmation (déposition) sous serment*, Ger. *eidliche Bestätigung*, Sp. *Declaración jurada*, It. *Deposizione giurata.*)

This is a written declaration, given on oath, before a person in authority, as a consul, mayor, magistrate, or notary public. But the usual person before whom an affidavit is sworn is a solicitor, who has been appointed a Commissioner for Oaths (*q.v.*). The person making the affidavit, called the deponent, must confine himself to facts within his own knowledge, or if he swears to his belief that certain statements are true, he must give the grounds of his belief. The document must be signed by the deponent, and attested by the person before whom it is sworn.

It must be stamped with a 2*s.* 6*d.* stamp, which may be an adhesive one.

The usual fee of the Commissioner for Oaths is 1*s.* 6*d.*, with an additional 1*s.* for every exhibit. (An exhibit is any document referred to in the affidavit which is intended to be a part of the affidavit itself, but is not set out at length in the document.)

The word "affidavit" is Low Latin, and means "has pledged his faith." It was at one time usual to commence the document thus: Affidavit N.M. etc.

An affidavit must be in a prescribed form, and must be sworn and filed according to certain rules. These are matters, however, for the practitioner.

Affidavits are frequently sworn in a most haphazard fashion, the deponent being quite careless as to the accuracy of the statements contained therein. It ought to be recollected, however, that a person who swears a false affidavit is guilty of perjury, and may be prosecuted for such offence under the Perjury Act, 1911. (See also *Statutory Declaration.*)

AFFREIGHTMENT. (Fr. *Affrètement*, Ger. *Mieten*, Sp. *Fletamento*, It. *Noleggio.*)

This word is gradually becoming obsolete, although it was at one time quite commonly used to signify the contract under which goods were shipped for carriage from one port to another.

AFTER DATE. (A/d.) (Fr. *De date*, Ger. *a Dato*, Sp. *Fecha*, It. *A (certo tempo) data.*)

This phrase is very frequently met with in bills of exchange and promissory notes, these documents being generally drawn payable at a certain period "after date," unless they are to be payable "after sight," or "on demand."

AFTER SIGHT. (Fr. *De vue*, Ger. *(nach) Sicht*, Sp. *Vista*, It. *A (certo tempo) vista.*)

This phrase is written on bills of exchange when the same are to be made

payable at a certain fixed time after presentation to the drawee for acceptance. The acceptor should insert the date of his acceptance upon an "after sight" bill, in order that the holder may be aware of the date upon which the bill becomes payable. The insertion of the date avoids the necessity of giving evidence as to the date of presentment.

AGE ADMITTED. (Fr. *Âge reconnu*, Ger. *Alter bewiesen*, Sp. *Edad admitida*, It. *Età ammessa*.)

It is generally important in the case of life insurance policies that the insurer should have accurate information as to the age of the insured, and such knowledge is often a condition precedent to the payment of the sum insured when the same becomes due. In many cases, the age is ascertained and certified at an early stage; and if this is done, the policy is indorsed with the words "age admitted."

AGENDA. (Fr. *Agenda*, Ger. *Geschäftsordnung*, *Agenda*, Sp. *Agenda*, It. *Ordine del giorno*, *agenda*.)

A list of the business to be done at a certain meeting is known by this name.

AGENT. (Fr. *Représentant*, Ger. *Agent*, Sp. *Representante*, It. *Agente*, *rappresentante*.)

An agent is a person who is employed to do anything in the place of another. The employer is called the "principal." Employment and agency are sometimes confounded, but the former is a much wider term than the latter, which is used in commercial law to signify employment for the purpose of bringing the employer into legal relationship with third parties.

Any person who possesses the legal capacity to contract may appoint an agent to do any act for him, unless the circumstances are such that the personal services of the principal are imperatively demanded. But it is not necessary that the agent should be a person having legal capacity to contract on his own account. Thus an infant may be appointed agent.

Although there is no necessity in the creation of agency that any consideration should move from one party to the other, the agent is generally paid for his services by salary or commission.

Agents are divided into three classes: (*a*) General; (*b*) Particular; (*c*) Universal.

A general agent has authority to do anything which comes within the limits of the position in which he is placed by his principal. For example, if he is placed in management of a house of business, he has an implied authority to bind his principal by doing anything which comes within the ordinary scope of the business.

A particular agent is appointed to do a special thing. He has no authority to bind his principal in any other matter than that for which he is engaged, and persons who deal with him are bound to ascertain the extent of his authority.

A universal agent is invested with unlimited authority. Such an agent is rarely met with in commercial transactions.

The principal classes of mercantile agents are: Auctioneers, Brokers, Factors, Masters of Ships, Partners, and Servants.

There is no particular form required for the appointment of an agent, though in order to make the agency binding upon the principal and the agent the ordinary rules of contract are applicable. (See *Contract*.) Frequently agents are appointed by mere word of mouth, and often without any express arrangement at all. In this latter case, the contract of agency is an implied one. But writing is advisable except in the simplest cases. Care should be taken, however, to include in the document all the terms of the agency, on the ground that parol evidence cannot be given to vary a written contract. If the agency is one that is not capable of being performed within a year, it must be evidenced by writing. An agent who is appointed to contract under seal must be appointed by a "power of attorney," and the agent of a corporation ought to be appointed by deed, unless the matter for which he is engaged is one of trifling importance or of pressing necessity, or unless the corporation is a trading one.

The most familiar instances of implied agency are the agencies of a servant, a wife, or a partner. These are, however, always of a limited character. They are often known as "agencies by estoppel," because the party bound by the contract is prevented or "estopped" by law, or by conduct, from denying the existence of the agency.

Ratification. When an agent has exceeded his authority in such a manner that his principal could not be bound by the contract, the principal may afterwards adopt the transaction provided the agent has contracted as agent and not as principal. This is called ratification. The principal will then

be in the same position as he would have been in the absence of any irregularity, and will be entitled to the benefit of the contract, or be liable for the losses which may arise out of it, as though he had previously authorised the making of it. But if a person contracts in his own name without disclosing that he acts as agent and without authority so to act, but with the intention in his own mind of making the contract on behalf of another person, that other person cannot ratify the contract. This point was decided in the case of *Keighley, Maxted, & Co.* v. *Durant*, 1901, A.C. 240.

The contract must be made on behalf of a principal who is in existence at the time that it is made. A person cannot, for instance, act as agent for a joint-stock company which has no legal existence when the contract is entered into. Any attempt to bind a non-existent principal is an impossibility. The contract is a nullity, and cannot be ratified.

Mutual Duties.—(1) *Agent to Principal.* The agent must carry out the work which he has undertaken to do, according to the terms imposed by the agreement, verbal or written. He must also use ordinary skill or diligence in doing his work. The amount of skill and diligence will depend upon whether the agency is a paid or a gratuitous one, and the exercise of the necessary amount of skill and diligence is a question of fact depending upon the circumstances of each case. Any losses which fall upon the principal through the negligence or lack of skill on the part of the agent must be made good by the latter. For example, if an insurance broker fails to effect a proper insurance, he must recoup his principal for any loss which arises through his failure. Similarly, if an agent gives credit without having authority to do so, and the principal loses the price of his goods, etc., through the default of the purchaser, the amount of the loss must be paid by the agent.

Although a principal chooses his own agent, and must use ordinary foresight in his selection, and is liable to third parties for the acts or defaults of his agent, he has a remedy over against the agent if the agent has represented to him that he possesses qualifications for the work or business upon which he has been engaged, which he knows that he has no right to claim, or has undertaken work for which he knows that he is unfitted.

An agent must acquaint his principal immediately with all matters which come to his notice in connection with the business in hand.

Proper accounts must be kept of all transactions entered into by the agent, and rendered to the principal on demand. All moneys received must be handed over, and no deductions must be made except for remuneration and, if agreed, necessary expenses.

As an agent and a principal stand in a fiduciary capacity towards each other, anything in the shape of using his position as agent for his own benefit is forbidden. Thus, an agent who is employed to sell property cannot sell it to himself, nor can one appointed to buy property sell that which belongs to himself, except with the knowledge and consent of the principal. If such a thing happens, the seller or the purchaser, as the case may be, is entitled to repudiate the sale or the purchase. The agent must hand over all profits made, and must not derive any secret profit from the business. If a bribe has been given to the agent, the principal may recover it from him. The principal may likewise repudiate the contract, and sue for damages for any loss which he has sustained through the improper payment of money. Criminal proceedings have also become possible since the passing of the Prevention of Corruption Act, 1906.

The agent must himself do the work which he has contracted to carry out, in accordance with the common law maxim, *Delegatus non potest delegare.* He cannot delegate his authority to another person, unless with the consent of the principal, or, where he has an implied authority to do so, by the recognised usage and custom of the particular business.

(2) *Principal to Agent.* The duty of the principal is to pay the agreed remuneration or commission, and, in most cases, all necessary expenses incurred in the transaction of the business. He must also indemnify the agent against the consequences of all lawful acts done in pursuance of the authority conferred, and likewise for wrongful acts done against a third party, where the agent has acted *bonâ fide*, and was not aware of the wrongful nature of the act.

Relation of Principal and Agent to Third Parties.—There are three cardinal rules relating to transactions with an agent who acts with authority to bind his principal.

(1) If the contract is made with an

agent who is known to be such, and who names his principal at the time the contract is made, there is, *primâ facie*, no contract with the agent at all. But, of course, the agent may, if he chooses, make himself personally liable as a contracting party, and the third party may likewise give credit exclusively to the agent. In such a case there is no remedy over against the principal.

There are three exceptions to this rule :—

(*a*) In a contract under seal made by an agent, even though the fact of the agency is stated in the deed, owing to a technical rule of law it is the agent and not the principal who is the party to sue or to be sued upon it.

(*b*) When a merchant resident abroad purchases goods in England through an agent who is resident in this country, the seller, in the absence of any express evidence to the contrary, contracts with the agent, and not with the principal.

(*c*) If an agent is a party to a bill of exchange in his own name, the principal is not liable upon the instrument. But "where a party signs a bill as drawer, indorser, or acceptor, and adds words to his signature indicating that he signs for or on behalf of his principal, or in a representative capacity, he is not personally liable thereon."

(2) If a contract is made with an agent who is known to be such, but who does not name his principal at the time the contract is made, the agent is, *primâ facie*, liable on the contract as well as the principal, since it could not be expected that any one would give credit to a person whose name was unknown to him. But where it is clear on the face of the contract that the agent did not pledge his personal credit, although he did not name his principal, he will not be personally liable. Evidence of custom may, however, be given to show that the agent is the proper person to be charged.

(3) If a contract is made with a person who, though really an agent, is not known to be such at the time of entering into the contract, the undisclosed principal is, as a rule, bound by the contract and entitled to enforce it, as well as the agent with whom the contract was made. But the third party must make his election within a reasonable time of discovering who the real principal is, and there must not have been any dealing with the agent of such a character as to prejudice the principal in his relations with the agent, and to lead him to believe that the agent alone is to be held liable.

Misrepresentation and Fraud of Agent —If the unauthorised acts of an agent are not ratified, and the agent contracted as agent, though he cannot be held liable as a principal, since he did not contract as such, he is liable to an action for damages for breach of an implied warranty of authority. If he has fraudulently misrepresented his authority he can be sued for the fraud.

Where an agent has contracted on behalf of a non-existent person as his principal, he is personally liable upon the contract ; for example, where a contract has been made on behalf of a company not yet incorporated.

If an agent has committed a fraud in the course of his agency, it is optional on the part of the party injured to sue the agent or the principal. But if the act is one done in excess of the authority of the agent, then the agent alone is liable.

Termination of Agency.—The relationship of principal and agent may be terminated by

(1) Agreement of the parties.
(2) Effluxion of time.
(3) Completion of the business.
(4) Revocation by the principal.
(5) Renunciation by the agent.
(6) Death or insanity of the principal or the agent.
(7) Bankruptcy of the principal.

In the case of (4), the agency cannot be terminated in a summary fashion if the contract of agency has been created for the benefit of the agent, and the benefit has not been reaped. Thus, if an agent is appointed for a definite time at a fixed salary, the agency cannot be put an end to without some compensation being paid to the agent for the loss which he will sustain by the revocation. Similarly in the case of (5), the agent on renouncing must compensate the principal for any loss which may arise out of the renunciation.

Notice of a revocation of authority must be given to all persons who have had dealings with the agent on the principal's behalf, otherwise the principal will be bound by future transactions between such persons and his former agent.

AGENT DE CHANGE. (Fr. *Agent de Change*, Ger. *Fondsmakler*, Sp. *Corredor de bolsa*, It. *Agente di cambio.*)

This is the French name for a stockbroker. The Agents de Change are the official members of the Paris Bourse, and

are sixty in number. (See *Coulisse*, *Parquet*.)

AGIO. (Fr., Ger. and Sp. *Agio*, It. *Aggio*.)

This term is used to express the difference between the value of the metallic and the paper currency in a country, or between the metallic moneys of different countries.

AGREEMENT. (Fr. *Accord, convention*, Ger. *Übereinkommen*, Sp. *Acuerdo*, It. *Accordo*.) (See *Contract*.)

ALIEN. (Fr. *Étranger*, Ger. *Auslander*, Sp. *Extranjero*, It. *Straniero*.)

A person who is the subject of a foreign nation. Thus, a Frenchman who settles in England, and has not been naturalised, is an alien. It does not signify that a foreigner has made up his mind to choose this country as his permanent abode. Although he acquires what is known as a domicil (*q.v.*) here, he is still an alien.

An alien cannot own a British ship, or any share in the same, but in all other respects he has had, since the Naturalisation Act of 1870, which, although repealed, is practically re-enacted as far as the points under consideration are concerned by the British Nationality and Status of Aliens Act, 1914, the same rights to property as a natural-born British subject. He is not qualified, however, to exercise any municipal, parliamentary, or other franchise, and he cannot hold any political office.

As to the manner in which an alien may acquire British citizenship, see *Naturalisation*. As to his rights as an employee, see *National Insurance*.

By the Alien Act of 1905, an attempt was made to check the immigration of undesirable foreigners. For various reasons, the Act has not met with the success which was anticipated. A new Bill is before Parliament at the present time—1919—and will no doubt become law before the end of the session.

ALL RIGHTS RESERVED. (Fr. *Tous droits reservés*, Ger. *alle Rechte vorbehalten*, Sp. *Derechos de propiedad*, It. *Riservati tutti i diritti*.)

This is a term put upon books by an author, signifying to the public that the copyright is reserved, and that proceedings will be taken against any person doing anything which infringes that copyright.

ALLOCATE. (Fr. *Répartir*, Ger. *anweisen*, Sp. *Repartir*, It. *Aggiudicare, assegnare*.)

To allocate is to allot or assign a thing to a person; most generally used to signify the allotment of shares in a company. Also to apply money for a particular purpose. (See *Appropriation of Payments*.)

ALLOCATION. (Fr. *Répartition*, Ger. *Anweisung*, Sp. *Repartimiento*, It. *Aggiudicazione, assegnazione*.)

This term signifies the act of allotment.

ALLOCATUR. (Fr. *Allocation, répartition*, Ger. *Kostenbescheinigung, Zuteilung*, Sp. *Adjudicación, aprobación de gastos*, It. *Aggiudicazione, repartizione, certificato delle spese*.)

The certificate of allowance of costs granted by the taxing master of the court is known as the allocatur. When there is an order to tax costs in any proceedings, this certificate must be obtained by the successful party in the suit, in order to add the amount to the judgment debt before execution can be levied with respect to the costs.

ALLONGE. (Fr. *Allonge*, Ger. *Allonge, Zusatzstück*, Sp. *Allonge*, It. *Coda, aggiunta, allunga*.)

This is a slip of paper attached to a bill of exchange, providing space for additional indorsements when the back of the bill itself is full of names. Being regarded as a part of the original bill, it need not be stamped.

Some of the foreign codes require that the first indorsement on the allonge shall commence on the bill itself and end on the allonge. This is intended as a precaution against fraud; otherwise an allonge might easily be taken from one bill and attached to another.

ALLOT. (Fr. *Répartir*, Ger. *zuteilen*, Sp. *Repartir*, It. *Assegnare, aggiudicare, distribuire*.)

To allot is to distribute in shares.

ALLOTMENT. (Fr. *Répartition*, Ger. *Zuteilung*, Sp. *Repartición*, It. *Aggiudicazione, ripartizione*.)

This is the act of allotting or distributing stock, shares, debentures, or bonds in a joint-stock company in response to applications for the same, or in pursuance of contracts already entered into with regard to them.

Prior to 1901, nothing was required in the allotment of shares beyond the elements which go to the formation of a simple contract—application, acceptance, and communication to the applicant within a reasonable time. The result was that many companies went to allotment when the applications for shares were such as altogether to exclude the possibility of the company being able to conduct any business at all.

The present statutory requirements

as to allotment (when the company is a public one), embodying the provisions of the Companies (Consolidation) Act, 1908, are as follows :—

(1) No allotment shall be made of any share capital of a company offered to the public for subscription, unless the following conditions have been complied with, namely :—

(a) the amount (if any) fixed by the memorandum or articles and named in the prospectus as the minimum subscription upon which the directors may proceed to allotment; or

(b) if no amount is so fixed and named, then the whole amount of the share capital so offered for subscription—

has been subscribed, and the sum payable on application for the amount so fixed and named, or for the whole amount offered for subscription, has been paid to and received by the company.

(2) The amount so fixed and named and the whole amount aforesaid shall be reckoned exclusively of any amount payable otherwise than in cash, and is in this Act referred to as the minimum subscription.

(3) The amount payable on application on each share shall not be less than five per cent. of the nominal amount of the share.

(4) If the conditions aforesaid have not been complied with on the expiration of forty days after the first issue of the prospectus, all money received from applicants for shares shall be forthwith repaid to them without interest, and, if any such money is not so repaid within forty-eight days after the issue of the prospectus, the directors of the company shall be jointly and severally liable to repay that money with interest at the rate of five per centum per annum from the expiration of the forty-eighth day:

Provided that a director shall not be liable if he proves that the loss of the money was not due to any misconduct or negligence on his part.

(5) Any condition requiring or binding any applicant for shares to waive compliance with any requirement of this section shall be void.

(6) This section, except sub-section (3) thereof, shall not apply to any allotment of shares subsequent to the first allotment of shares offered to the public for subscription.

(7) In the case of the first allotment of share capital payable in cash of a company which does not issue any invitation to the public to subscribe for its shares, no allotment shall be made unless the minimum subscription (that is to say) :—

(a) the amount (if any) fixed by the memorandum or articles and named in the statement in lieu of prospectus as the minimum subscription upon which the directors may proceed to allotment; or

(b) if no amount is so fixed and named, then the whole amount of the share capital other than that issued or agreed to be issued as fully or partly paid up otherwise than in cash—

has been subscribed and an amount not less than five per cent. of the nominal amount of each share payable in cash has been paid to and received by the company.

(8) An allotment made by a company to an applicant in contravention of the provisions of the last foregoing section shall be voidable at the instance of the applicant within one month after the holding of the statutory meeting of the company and not later, and shall be so voidable notwithstanding that the company is in course of being wound up.

(9) If any director of a company knowingly contravenes or permits or authorises the contravention of any of the provisions of the last foregoing section with respect to allotment he shall be liable to compensate the company and the allottee respectively for any loss, damages, or costs which the company or the allottee may have sustained or incurred thereby: Provided that proceedings to recover any such loss, damages, or costs shall not be commenced after the expiration of two years from the date of the allotment.

All the ordinary rules of contract apply to the allotment of shares.

The letter of allotment informs the applicant of the numbers of the shares which have been allotted to him. Where the nominal amount of the allotment is less than £5, a stamp duty of one penny is imposed; for greater amounts the duty is sixpence.

ALLOTMENT NOTES. (Fr. *Notes de crédit*, Ger. *halbe Löhnung*, Sp. *Vales provisorios*, It. *Note di credito.*)

These are documents signed by seamen, authorising their employers to pay periodically a part of their wages, limited to one-half, whilst on a voyage, to a savings bank or to some near relative.

ALLOTTEE. (Fr. *Souscripteur*, Ger. *angenommener Zeichner*, Sp. *Suscriptor*, It. *Aggiudicatario, assegnatario.*)

An allottee is a person to whom shares

in some public company or concern are allotted.

ALL-ROUND PRICE. (Fr. *Prix inclusif*, Ger. *Preis in Bausch und Bogen*, Sp. *Precio inclusivo*, It. *Prezzo totale, prezzo tondo.*)

This is a price which includes all items usually charged as extras over the cost price.

AMALGAMATION. (Fr. *Réunion, fusion*, Ger. *Amalgamierung, Vereinigung*, Sp. *Fusión, amalgamación*, It. *Fusione, unione.*)

When two or more companies or businesses are combined so as to form one, there is said to be an amalgamation.

AMORTISEMENT or **AMORTISATION.** (Fr. *Amortissement*, Ger. *Tilgung*, Sp. *Amortización*, It. *Ammortizzazione.*)

In law, this means the alienation of lands in mortmain, that is, a transfer in perpetuity to a corporation or to a charity. In finance, it signifies the redemption of bonds or shares, by means of annual drawings from a sinking fund, or the complete extinguishment of a loan by a single payment out of some special fund set aside for the purpose.

ANCHORAGE. (Fr. *Droits d'ancrage*, Ger. *Ankergeld*, Sp. *Derechos de ancoraje*, It. *Diritti di ancoraggio.*)

These are the dues imposed on ships for anchoring in certain ports or harbours.

ANKER. (Fr. *Anker*, Ger. *Anker*, Sp. *Cuarterola*, It. *Anker.*)

An anker is a Dutch liquid measure, equal to about ten English gallons.

ANNUITANT. (Fr. *Rentier*, Ger. *Renteninhaber*, Sp. *Rentista*, It. *Tenitore di rendita.*)

An annuitant is a person who is in receipt of an annuity.

ANNUITY. (Fr. *Annuité*, Ger. *Annuitat, Leibrente*, Sp. *Anualidad*, It. *Annualità, rendita annua.*)

This is a sum of money payable yearly during a specified time, or for the lifetime of a certain individual, or in perpetuity. It may be created either during the lifetime of the donor or by will. If created by will it ranks and abates as a general legacy. Duty is payable upon the value of the interest of the annuitant calculated according to fixed tables, and is payable in four annual instalments, which are due when the first four payments of the annuity are made. Annuities are likewise subject to estate duty to the extent to which any beneficial interest accrues by survivorship on the death of a person, but a single survivorship annuity is exempt if it is less than £25.

An annuitant may prove against the estate of a bankrupt to the extent of the present value of his annuity, whether it is for life or for a term of years.

ANTE-DATE. (Fr. *Antidater*, Ger. *vordatieren*, Sp. *Antedatar, anticipar la fecha*, It. *Antidatare.*)

When the date upon a cheque, letter, or other document is earlier than that on which the cheque, letter, or document was written, the same is said to be ante-dated. (See *Bill of Exchange.*)

APPRAISE. (Fr. *Evaluer*, Ger. *abschätzen*, Sp. *Apreciar*, It. *Apprezzare, stimare, valutare.*)

The literal meaning of this word is to set a price upon, to value with a view to sale, or otherwise.

APPRAISEMENT. (Fr. *Expertise*, Ger. *Schatzung* (*Abschätzung*) *durch Sachverständige*, Sp. *Aprecio, justiprecio*, It. *Estimazione.*)

The meaning of this word is setting a price or a value upon anything with a view to its sale or otherwise.

APPRAISERS. (Fr. *Évaluateurs*, Ger. *Abschatzer*, Sp. *Tasadores, apreciadores*, It. *Apprezzatori, estimatori.*)

Persons employed to value property, who are duly licensed for that purpose, are called appraisers. The cost of a licence is £2 per annum. Any person acting as appraiser without a licence is liable to a penalty of £50.

On an appraisement or valuation the duty payable is as follows:—

Where the amount of the appraisement does not exceed	£	s.	d.
£5	0	0	3
Ditto £10	0	0	6
Ditto £20	0	1	0
Ditto £30	0	1	6
Ditto £40	0	2	0
Ditto £50	0	2	6
Ditto £100	0	5	0
Ditto £200	0	10	0
Ditto £500	0	15	0
Where the amount exceeds £500	1	0	0

APPRENTICE. (Fr. *Apprenti*, Ger. *Lehrling*, Sp. *Aprendiz*, It. *Apprendista.*)

An apprentice is a person who is bound by contract to serve another in some trade or calling, the latter being under the obligation to teach the apprentice the said trade or calling. The contract is made by deed only, generally spoken of as the apprentice's indentures, and the stamp duty is 2*s.* 6*d.*, it being immaterial whether a premium is paid or not. Indentures of parish and marine apprentices are exempt from stamp duty.

Any person over the age of seven may bind himself as an apprentice, and he must be a party to the deed, the father having no authority to bind his infant child by an apprenticeship deed, but the father is often added as a party. The duties and rights of the parties will generally be set forth in the deed, but in any case the master must give proper instruction to the apprentice throughout the agreed term.

Apprenticeship is terminated by efflux-ion of time, by the coming of age of the apprentice, by the death of either the master or the apprentice, or by the mutual consent of all the parties to the deed. Justices of the peace may also cancel the indentures on complaint or proof of wilful misconduct or disobedience. If the misconduct is on the part of the master, an order may be made calling upon him to refund some portion or the whole of any premium that has been paid.

Apprentices in any trade, who are guilty of any misdemeanour, miscarriage, or bad conduct in their master's service, are liable to imprisonment with hard labour for any period not exceeding three months, or to an abatement of wages. They must not absent themselves from work without reasonable excuse, otherwise they will be compelled to give satisfaction for the same.

On the ground that the failure of consideration must be total and not partial in order to entitle a party to a contract to recover money paid, there is no right to reclaim any portion of the money paid as premium if the master dies during the term of apprenticeship. The apprentice has had the benefit of some portion of the contract. An exception is made in the case of the bankruptcy of the master. By sect. 34 of the Bankruptcy Act, 1914, it is enacted :—

(1) Where at the time of the presentation of the bankruptcy petition any person is apprenticed or is an articled clerk to the bankrupt, the adjudication of bankruptcy shall, if either the bankrupt or apprentice or clerk gives notice in writing to the trustee to that effect, be a complete discharge of the indenture of apprenticeship or articles of agreement; and if any money has been paid by or on behalf of the apprentice or clerk to the bankrupt as a fee, the trustee may, on the application of the apprentice or clerk, or of some person on his behalf, pay such sum as the trustee, subject to an appeal to the court, thinks reasonable out of the bankrupt's property, to or for the use of the apprentice or clerk, regard being had to the amount paid by him or on his behalf, and to the time during which he served with the bankrupt under the indenture or articles before the commencement of the bankruptcy, and to the other circumstances of the case.

(2) Where it appears expedient to a trustee, he may, on the application of any apprentice or articled clerk to the bankrupt, or any person acting on behalf of such apprentice or articled clerk, instead of acting under the preceding provisions of this section, transfer the indenture of apprenticeship or articles of agreement to some other person.

APPROPRIATION OF PAYMENTS. (See *Contract, Discharge of.*)

ARBITRAGE. (Fr. *Arbitrage*, Ger. *Arbitrage, Wechselarbitrage*, Sp. *Arbitraje*, It. *Arbitraggio.*)

This term is applied in the English Stock Exchange and French Bourse to the calculation of the relative simultaneous values of any particular stock on the market, in terms of the quotations on one or more other markets, and to the business founded on such calculations. In the strict sense arbitrage may be defined as a traffic consisting of the purchase, or sale, on one Stock Exchange, and simultaneous, or nearly simultaneous, re-sale, or re-purchase, on another Stock Exchange of the same amount in the same stocks or shares. Government stocks, British Consols excepted, are the chief subjects of arbitrage. Other branches of arbitrage, dealing with bullion, coin, or bills, fall within the business of bullion dealers and bankers.

ARBITRAGERS. (Fr. *Arbitrageurs*, Ger. *Arbitrageurs*, Sp. *Arbitrajadores*, It. *Arbitri.*)

This is the name that is given to those persons who are skilled in arbitrage business.

ARBITRATION. (Fr. *Arbitrage*, Ger. *Shiedsgericht*, Sp. *Arbitraje*, It. *Arbitraggio.*)

Arbitration is the act of settling a dispute by referring it to one or more neutral persons nominated by the disputants, whose decision, when written out and signed, is known as the award.

This method has grown in public estimation during the last fifty years, and at the present time many disputes of the class which were formerly decided by the courts are now privately disposed of, and the award made by the arbitrator has the same effect as a judgment when it is taken up. If there is a contract in writing between parties,

it is frequently made one of the terms of the contract that all disputes shall be referred to arbitration. This effectually prevents one of the parties proceeding by ordinary legal methods, that is, in the courts, if there is an objection to this course of action by the other party or parties. But if such proceedings are commenced in court, the other party or parties must take objection at once, for if anything more is done than entering an appearance to the writ of summons, it will generally be considered that this arbitration clause has been waived.

By the common law an agreement between parties to refer a dispute to arbitration, to the exclusion of the jurisdiction of the courts, was void on the grounds of public policy. But now a dispute may be referred to arbitration either by the consent of the parties out of court, or by order of the court. The law upon the subject has been codified by the Arbitration Act, 1889, of which the following are the main provisions :—

References by Consent out of Court.—(1) A submission (which is defined as a written agreement to submit present or future differences to arbitration, whether an arbitrator is named therein or not), unless a contrary intention is expressed therein, is irrevocable, except by leave of the court or a judge, and has the same effect in all respects as if it were made an order of court.

(2) In submissions, unless a contrary intention is expressed therein, the following things are implied :—

(*a*) If no other mode of reference is provided, the reference is to be to a single arbitrator.

(*b*) If the reference is to two arbitrators, the two arbitrators may appoint an umpire at any time within the period during which they have power to make an award.

(*c*) The arbitrators are to make their award within three months after entering on the reference, or after having been called on to act by notice in writing from any party to the submission, or on or before any later day to which the arbitrators, by any writing signed by them, may from time to time enlarge the time for making the award.

(*d*) If the arbitrators have allowed the time or extended time to expire without making an award, or have delivered to any party to the submission, or to the umpire, a notice in writing, stating that they cannot agree, the umpire may forthwith enter on the reference in lieu of the arbitrators.

(*e*) The umpire shall make his award within one month after the original or extended time appointed for making the award of the arbitrators has expired, or on or before any later day to which the umpire by any writing signed by him may from time to time enlarge the time for making his award.

(*f*) The parties to the reference, and all persons claiming through them respectively, must, subject to any legal objection, submit to be examined by the arbitrators or umpire, on oath or affirmation, in relation to the matters in dispute, and must also, subject as aforesaid, produce before the arbitrators or umpire all books, deeds, papers, accounts, writings, and documents within their possession or power respectively which may be required or called for, and do all other things which during the proceedings on the reference the arbitrator or umpire may require.

(*g*) The witnesses on the reference are to be examined on oath or affirmation, if the arbitrators or umpire think fit.

(*h*) The award is final and binding on the parties to the arbitration.

(*i*) The costs of the reference and award are in the discretion of the arbitrators or umpire, who may direct to and by whom and in what manner those costs or any part of them are to be paid, and may tax or settle the amount of costs to be so paid or any part thereof, and may award costs to be paid as between solicitor and client.

(3) Where a submission provides that the reference is to be to an official referee, any official referee to whom application is made shall, subject to any order of the court or a judge as to transfer or otherwise, hear and determine the matters agreed to be referred.

(4) If any party to a submission, or any person claiming through or under him, commences any legal proceedings in any court against any other party to the submission, or any person claiming through or under him, in respect of any matter agreed to be referred, any party to such legal proceedings may at any time after appearance, and before delivering any pleadings, or taking any other steps in the proceedings, apply to that court to stay the proceedings, and that court or a judge thereof if satisfied that there is no sufficient reason why the matter should not be referred in accordance with the submission, and that the applicant was,

at the time when the proceedings were commenced, and still remains, ready and willing to do all things necessary to the proper conduct of the arbitration, may make an order staying the proceedings.

(5) In any of the following cases :—

(*a*) Where a submission provides that the reference shall be to a single arbitrator, and all the parties do not, after differences have arisen, concur in the appointment of an arbitrator :

(*b*) If an appointed arbitrator refuses to act, or is incapable of acting, or dies, and the submission does not show that it was intended that the vacancy should not be supplied, and the parties do not supply the vacancy ;

(*c*) Where the parties or two arbitrators are at liberty to appoint an umpire or third arbitrator, and do not appoint him ;

(*d*) Where an appointed umpire or third arbitrator refuses to act, or is incapable of acting, or dies, and the submission does not show that it was intended that the vacancy should not be supplied, and the parties or arbitrators do not supply the vacancy ;

any party may serve the other parties or the arbitrators, as the case may be, with a written notice to appoint an arbitrator, umpire, or third arbitrator.

If the appointment is not made within seven clear days after the service of the notice, the court or a judge may, on application by the party who gave the notice, appoint an arbitrator, umpire, or third arbitrator, who shall have the like powers to act in the reference and make an award as if he had been appointed by the consent of all parties.

(6) Where a submission provides that the reference shall be to two arbitrators, one to be appointed by each party, then, unless the submission expresses a contrary intention :—

(*a*) If either of the appointed arbitrators refuses to act, or is incapable of acting, or dies, the party who appointed him may appoint a new arbitrator in his place ;

(*b*) If, on such a reference, one party fails to appoint an arbitrator, either originally or by way of substitution as aforesaid, for seven clear days after the other party, having appointed his arbitrator, has served the party making default with notice to make the appointment, the party who has appointed an arbitrator may appoint that arbitrator to act as sole arbitrator in the reference, and his award shall be binding on both parties as if he had been appointed by consent.

The court may, however, set aside any appointment made in pursuance of this section.

(7) The arbitrators or umpire acting under a submission have power, unless a contrary intention is expressed by the submission,

(*a*) To administer oaths to and take affirmations of the parties and witnesses appearing ;

(*b*) To state an award as to the whole or part thereof in the form of a special case for the opinion of the court ; and

(*c*) To correct in an award any clerical mistake or error arising from any accidental slip or omission.

(8) Any party to a submission may sue out a writ of *subpoenâ ad testificandum*, or a writ of *subpoenâ duces tecum* (see *Subpoena*), but no person shall be compelled under any such writ to produce any document which he could not be compelled to produce on the trial of an action.

(9) The time for making an award may from time to time be enlarged by order of the court or a judge, whether the time for making the award has expired or not.

(10) In all cases of reference to arbitration the court or a judge may from time to time remit the matters referred, or any of them, to the reconsideration of the arbitrators or umpire.

Where an award is remitted, the arbitrators or umpire shall, unless the order otherwise directs, make their award within three months after the date of the order.

(11) Where an arbitrator or an umpire has misconducted himself, the court may remove him and may set aside any arbitration or award that has been improperly procured.

(12) An award on a submission may, by leave of the court or a judge, be enforced in the same manner as a judgment or order to the same effect.

References under Order of Court.—(13) Subject to Rules of Court and to any right to have particular cases tried by a jury, the court or a judge may refer any question arising in any cause or matter (other than a criminal proceeding by the Crown) for inquiry or report to any official or special referee.

The report of an official or special referee may be adopted wholly or partially by the court or a judge, and if so adopted may be enforced as a judgment or order to the same effect.

(14) In any cause or matter (other than a criminal proceeding by the Crown),

(*a*) If all the parties interested who are not under disability consent; or,

(*b*) If the cause or matter requires any prolonged examination of documents or any scientific or local investigation which cannot in the opinion of the court or a judge conveniently be made before a jury or conducted by the court through its other ordinary officers: or,

(*c*) If the question in dispute consists wholly or in part of matters of account: the court or a judge may at any time order the whole cause or matter, or any question or issue of facts arising therein, to be tried before a special referee or arbitrator respectively agreed on by the parties, or before an official referee or officer of the court.

(15) In all cases of reference to an official or special referee or arbitrator under an order of the court or a judge in any cause or matter, the official or special referee or arbitrator shall be deemed to be an officer of the court, and shall have such authority, and shall conduct the reference in such manner, as may be prescribed by Rules of Court, and subject thereto as the court or a judge may direct.

The report or award of any official or special referee or arbitrator on any such reference shall, unless set aside by the court or a judge, be equivalent to the verdict of a jury.

(16) The court or a judge shall, as to references under order of the court or a judge, have all the powers which are conferred by the Act on the court or a judge as to references by consent out of court.

General.—(17) The court or a judge may order that a writ of *subpoenâ ad testificandum*, or of *subpoenâ duces tecum* shall issue to compel the attendance before an official or special referee, or before any arbitrator or umpire, of a witness wherever he may be within the United Kingdom, or a writ of *habeas corpus ad testificandum* to bring up a prisoner for examination.

(18) Any referee, arbitrator, or umpire may, at any stage of the proceedings, under a reference, and shall, if so directed by the court or a judge, state in the form of a special case for the opinion of the court any question of law arising in the course of the reference.

(19) Any order made under the Act may be made on such terms as to costs, or otherwise, as the authority making the order thinks just.

(20) Any person who wilfully and corruptly gives false evidence before any referee, arbitrator, or umpire, shall be guilty of perjury, as if the evidence had been given in open court, and may be dealt with, prosecuted, and punished accordingly. (Also see *Award.*)

ARBITRATION OF EXCHANGE. (Fr. *Arbitrage de change*, Ger. *Wechselarbitrage*, Sp. *Arbitraje de cambio*, It. *Arbitrato del cambio.*)

This means calculating the proportional rates between two countries, through intermediate places, to see whether direct or indirect drafts and remittances are the more advantageous. For instance, a merchant here having to remit money to Paris at a time when the exchange is unfavourable, may find, on calculation, that it will be more advantageous to make the payment through Amsterdam to Paris, than to send it there direct. When only one intermediate place is concerned, it is termed simple arbitration; when more than one, compound arbitration.

ARBITRATOR. (Fr. *Arbitre*, Ger. *Schiedsrichter*, Sp. *Arbitro*, It. *Arbitro.*)

This is the person who is appointed to settle any dispute between parties, more especially when it is desired to avoid legal procedure. (See *Arbitration.*)

ARCHITECT. (Fr. *Architecte*, Ger. *Baumeister*, Sp. *Arquitecto*, It. *Architetto.*)

The person who is engaged in the designing and the superintendence of construction of buildings is generally known as an architect.

There is no special qualification required for anyone who wishes to practise as an architect, but the Royal Institute of British Architects and the Society of Architects have done much to advance the status, and to elevate the standard of those who are engaged in the profession. The former society was founded in 1834, incorporated by Royal Charter in 1837, and received a new charter with additional powers in 1887. It publishes a *Journal* and a *Calendar*. The offices are situated at 9, Conduit Street, Hanover Square, W. The latter Society was founded in 1884, and incorporated in 1893. Members are admitted by examination. It publishes *The Architects' Magazine* monthly, and a *Year Book* annually. The offices are at 28, Bedford Square, W.C.

An architect is simply an agent, and the general principles of agency are applicable to him. He must use proper

skill, as representing himself capable of doing what is generally required from an architect, and he will be liable in an action for damages for negligence. In many building transactions it is customary to pay the builder by instalments, according to the amount of work done. Payment is made upon the certificate of the architect. Any carelessness in giving a certificate, as to either the quantity or the quality of the work, will be a clear case of negligence.

There is no fixed scale of remuneration, though a charge of 5 per cent. on the cost of the building is the usual one.

ARE. (Fr. *Are*, Ger. *Ar*, Sp. *Area*, It. *Ara*.)

The Are is the unit of the decimal French measure of surface. It is a square, the side of which is 10 metres, or 32·809 English feet in length. The hectare of 100 ares is generally used in the measurement of land. It is equal to 2·47, or nearly two and a half English statute acres.

ARREARS. (Fr. *Arrérages*, Ger. *Ruckstände*, Sp. *Atrasos*, It. *Arretrati*.)

Arrears are the amount which remain unpaid after the proper time of payment.

ARTICLES OF ASSOCIATION. (Fr. *Statuts sociaux*, Ger. *Gesellschaftsstatuten*, Sp. *Articulos de asociación*, It. *Statuto o atto constitutivo della società*.)

The rules and regulations which specify the mode of conducting the business of a joint-stock company, the number and qualification of the directors, and generally the whole internal organisation of the company are known under the comprehensive term of articles of association.

The articles of association of a company are supplementary to the memorandum of association, and every person who has any dealings with a company, whether as a member or a creditor, or otherwise, is presumed to have notice of the contents of both, the memorandum and the articles, as far as regards the external position of the company.

In the Companies Act, 1862, model articles of association were supplied by the well-known Table A. This table was revised in 1906, and it is now reproduced, with very slight changes, in the Companies (Consolidation) Act, 1908. This Table A formed no part of the Act of 1862, and is no part of the Act of 1908. The table is practically never used in its complete form. In joint-stock companies of any size, it is almost always ignored.

The articles are required to be drawn in separate paragraphs, numbered consecutively. The number will vary according to the nature of the business of the company, and no general rule can be laid down as to what they should contain, though it is the ordinary course for clauses to be inserted which regulate the general business of the company in reference to the division of its capital, the issue of shares, increase of capital, calls, forfeiture for non-payment, etc., borrowing powers, general meetings, voting, directors and their qualification, powers, duties, etc., dividends, accounts, audits, notices, arbitration clause, and the distribution of the assets on the winding-up of the company.

The articles must be printed, must bear the same stamp as a deed, viz. 10*s*., and must be signed by the subscribers of the memorandum of association. The signature of each subscriber must be witnessed by some person other than a subscriber. Each member of the company is entitled to a copy of the memorandum and articles on payment of 1*s*.

The articles of association are controlled by the memorandum of association, which is the instrument indicating the purposes for which the company is established. "The memorandum is, as it were, the area beyond which the action of the company cannot go; inside that area the shareholders may make such regulations for their own government as they think fit." Hence, if the sphere of action of the company is exceeded by the terms of the articles, the latter will be inoperative to the extent of the excess, and nothing done under the articles can be ratified.

The articles of association may be altered by special resolution, and a company cannot contract itself out of its power of making such alteration. The power of alteration is now curtailed, so far as foreign interests of a company are concerned, by the Companies (Foreign Interests) Act, 1917. Under this Act no change can be made without the consent of the Board of Trade. It is not an objection to such an alteration that the effect may be retrospective. Thus, in one case the original articles of a company provided that the company should have a lien upon all shares "not being fully paid held by such member." The vendor of the company had been paid in fully-paid shares, but a nominee of the vendor, to whom some of the vendor's shares had been allotted, owed money to the company. By special resolution the company altered their articles by striking out the words "not being fully paid." The effect

of the alteration was to charge the fully paid-up shares of the nominee with the payment of his debt. It was held that this could be done.

The articles of association are delivered to the Registrar of Joint-Stock Companies at the same time as the memorandum of association, and he registers both upon the payment of the fees required. Any special resolution altering them must be printed and annexed to the original articles, and a copy must be filed with the Registrar within fifteen days of the passing of the same. A fee of *5s.* is payable at the time of the filing of the resolution.

AS PER ADVICE. (Fr. *Suivant avis*, Ger. *laut Bericht*, Sp. *Según aviso*, It. *Secondo avviso.*)

This is a phrase frequently written on a bill of exchange. Its meaning is that notice has already been sent to the drawee that the bill which he now receives would be drawn upon him.

ASSAY or **ASSAYING.** (Fr. *Essayage*, Ger. *Metallprüfung*, *Munzprobe*, Sp. *Ensayo*, It. *Assaggio.*)

This means the examination or the weighing of a thing accurately. The term is chiefly applied when an ore or an alloy is tested in order to discover the amount of metal which it contains.

By law silver-plate must be made of a certain degree of fineness in Great Britain, and each article made has to be assayed, and, if approved, stamped at the Goldsmiths' Hall. Assays of gold jewellery are made in a similar manner, which is a guarantee of their quality. It is also a matter of great commercial importance to test the degree of fineness of such things as coin and bullion.

ASSAY-MASTER. (Fr. *Essayeur*, Ger. *Munzwardein*, *Munzprufer*, Sp. *Ensayador*, It. *Assaggiatore.*)

This is the person who determines the amount of gold and silver in coin or bullion.

ASSETS. (Fr. *Actif*, Ger. *Aktiva*, Sp. *Activo*, It. *Attivo.*)

This term has three meanings :—

(1) The goods or estate of a deceased person available to pay his debts and legacies.

(2) The property of a deceased or insolvent person.

(3) The entire property of every description belonging to, or in the possession of a merchant or a trading association.

The word is derived from the old French *assetz*, meaning "enough."

When considered from a legal point of view, assets are said to be of two kinds, legal and equitable. The former consist of the property which creditors might make available in a court of law for the payment of the debts of a deceased person, which property had devolved upon the personal representative of the deceased for that purpose, by virtue of his office. The latter consist of the property which could only be made available for the payment of debts in the Court of Chancery. This distinction becomes of great importance when many and competing claims have to be considered. For example, an executor can only exercise his right of retainer, that is, the retention of the amount of a debt due to himself from the deceased in priority to any other debts of equal degree, out of the legal assets which have come into his possession.

There is another useful and convenient sub-division of the different classes of assets, when they are considered from a mercantile point of view :—

(1) *Fixed Assets.*—These consist of possessions in the form of freehold land and buildings, house property, plant, machinery, and such like things.

(2) *Intangible Assets.*—Included in this class are such things as goodwill, patents, trade marks, designs, and copyright.

(3) *Floating or Circulating Assets.*—These are represented by book debts, stock-in-trade, stores, raw material, bills receivable, etc.

(4) *Liquid Assets.*—Under this head are included invested funds, surplus cash with bankers, cash in hand, etc.

ASSIGN. (Fr. *Céder*, Ger. *zedieren*, Sp. *Asignar*, It. *Assegnare.*)

This word means to make over to another, by means of a deed of assignment, money, goods, or other property.

ASSIGNEE. (Fr. *Cessionnaire*, Ger. *Assignator*, Sp. *Asignatario*, *cesionario*, It. *Assegnatario*, *cessionario.*)

The person to whom any right or property is assigned is called the assignee.

ASSIGNMENT. (Fr. *Cession*, Ger. *Abtretung*, *Zession*, Sp. *Cesión*, It. *Cessione.*)

The term "assignment" has two meanings. It may be either the transfer of any right or property, or the document by means of which such transfer is made.

The transfer of land is carried out by means of a deed. The transfer of movable property may be made by deed, by instrument in writing, or by

a simple transfer of possession, according to the statute law governing each. At common law transfer of possession was sufficient. The deed must, of course, be properly stamped. (See *Stamp Duties.*) The duty is an *ad valorem* one. In order to comply with the requirements of the Finance (1909-10) Act, 1910, when the value of the subject matter is under £500, it is now usual to insert the following clause in the deed: "And it is hereby declared that the transaction hereby effected does not form part of a larger transaction or of a series of transactions exceeding in the aggregate the sum of £500," and then the *ad valorem* duty is reduced to 10*s.* per cent.

A *chose in action*, that is, a right to a thing, as distinguished from the thing itself, was not assignable at common law, but could only be enforced by one of the original parties to the contract. This was not the rule in equity, and since the passing of the Judicature Act, 1873, the equitable rule prevails in all the courts. A debt or legal *chose in action* is now assignable, and the assignee is enabled to sue in his own name for the benefit of the same, provided (1) that the assignment is absolute, and not by way of charge only; (2) that it is in writing and signed by the assignor; and (3) that notice of the assignment is given in writing to the debtor, or to a trustee holding the funds assigned. But although the benefit of a contract can be assigned in this manner, the assignee can only acquire the rights which were possessed by the assignor. Therefore, if a debtor has a counterclaim or a set-off against his creditor, and the creditor assigns his rights to a third person, the assignee will only be able to enforce so much of the claim as the original creditor could have done and will be bound to allow the counterclaim or set-off. This is called an assignment "subject to the equities." In the same way, if a creditor has only a defective title to anything he purports to assign, the assignee's title, after the assignment, is affected with the same defect.

Special provision has been made for the assignment of rights arising out of certain *choses in action*, e.g., policies of insurance, shares in joint-stock companies, debentures, etc., either by Act of Parliament or by articles of association. In order that the assignment may be effectual these provisions must be strictly complied with.

Assignability must not be confounded with negotiability.

The assignment of obligations arising out of a contract is not allowed, except with the consent of the party to whom the performance is due. This is called "novation." In point of fact a new contract is made when this takes place, and fresh parties are substituted for those who were originally bound. There are exceptions to this rule, but they are mainly statutory, and in the case of land there are certain obligations or liabilities which always "run with the land," that is, bind the holder for the time being.

Irrespective of the acts of the parties assignments of rights and obligations may take place through the death or bankruptcy of one or both of them. In the case of death the personal representative, either executor or administrator, succeeds to the position of the deceased, acquires his rights and is answerable for his liabilities, to the extent of the estate that has been left. An executor or administrator may render himself personally responsible to any extent if there is an agreement in writing (and a consideration) to satisfy the fourth section of the Statute of Frauds. The chief exception to this rule is that which has reference to contracts for personal services, such as the employment of a servant or an apprentice. Death puts an end to such a contract, since it is assumed to be an implied condition of the contract that no substitute shall be allowed to fill the place of the original promisor or promisee. In the case of bankruptcy also the trustee acquires all the rights and is responsible, to the extent of the property obtained, for the liabilities of the debtor.

As to an assignment for the benefit of creditors, see *Deed of Arrangement.*

ASSIGNOR. (Fr. *Cédant,* Ger. *Assignant, Zedent,* Sp. *Cedente, girante,* It. *Cedente.*)

The assignor is the person who makes an assignment or transfer of property from himself to some other person.

ASSIGNS. (Fr. *Cessionnaires,* Ger. *Cessionnare,* Sp. *Cesionarios,* It. *Cessionari.*)

This word is frequently used to indicate two or more assignees.

ASSURANCE. (See *Insurance.*)

AT CALL. (Fr. *A l'appel,* Ger. *auf Verlangen,* Sp. *A la demanda,* It. *Alla domanda.*)

Money is said to be at call when it

deposited with bankers and others on such terms that its repayment can be demanded without any notice.

AT PAR. (Fr. *Au pair*, Ger. *zum Nennwert*, Sp. *Al par*, It. *Alla pari*.)

Stocks or shares are said to be "at par," when their market value and their nominal value are the same.

AT SIGHT. (Fr. *A vue*, Ger. *bei Sicht*, Sp. *A la vista*, It. *A vista*.)

This term is written on bills of exchange or promissory notes when they are drawn payable on demand. Days of grace (*q.v.*) do not attach to bills payable at sight.

ATS. These three letters are the first of the words "at the suit," and formerly in pleading it was customary to cite an action by naming first the defendant and afterwards the plaintiff, thus, "Jones ats. Smith." At the present day, except in proceedings in the Mayor's Court, London, the proper method is to give first the name of the plaintiff and afterwards that of the defendant, with the letter *v.* (a contraction for "versus") between, thus, "Smith *v.* Jones."

ATTACHMENT. (Fr. *Saisie, arrêt*, Ger. *Beschlagnahme*, Sp. *Embargo, secuestro*, It. *Arresto, sequestro*.)

There are two senses in which the word "attachment" is used, namely, attachment of persons and attachment of debts. The former takes place when an order of a court of record has been disobeyed. The person in default is seized and is kept in custody—not, of course, in the same manner and subject to the same discipline as criminal offenders—at the pleasure of the court for so long a period as is directed or until he has purged his contempt. The latter takes place when a judgment creditor is unable to obtain payment of his debt directly from the debtor, and is compelled to take proceedings by means of which he compels any debtor of his own debtor to pay the debt owing directly to him (the judgment creditor) instead of to the judgment debtor. Of course, when payment is obtained by this process of attachment, the debtor is exonerated from his indebtedness to the judgment debtor. This attachment of debts is generally carried out by what are known as garnishee proceedings. (See *Garnishee*.)

ATTESTATION. (Fr. *Attestation*, Ger. *Bescheinigung, Beglaubigung*, Sp. *Testificación*, It. *Attestato*.)

In order to lend additional force to certain documents, if they are ever in dispute, the person who signs the same will procure some other person or persons to signify, by adding their name or names, that the signature of himself is genuine and made under such circumstances that its validity ought not to be called in question. This is known as attestation.

At common law there was no necessity for a signature to be witnessed, and attestation is only compulsory now where it has been made so by statute. Even in the case of a deed, unless there is this legal obligation imposed, the signatures need not be attested, although it is not advisable to omit the formality. Again, even when attestation is essential, one witness is sufficient unless there is some statutory provision to the contrary.

No special words are required in attesting. It has become common, however, to use certain well-known forms in certain cases. Thus, in the case of a will, the attestation clause is almost invariably that given in the article *Will* (*q.v.*). In the case of deeds, the usual words are "Signed, sealed, and delivered by the above-named A.B. in the presence of . . . . . .," the attesting witness then adding his name, address, and occupation. In many cases, the word "witness" alone is used. Care should always be taken when a deed is signed by an illiterate person, who makes his "mark." The attestation clause suggested to meet the requirements of the case is the following: "Signed, sealed, and delivered by the above-named A.B., he having signed by a mark in consequence of being unable to sign his name, in the presence of us, the deed having first been read over and explained to him when he appeared perfectly to understand the same." This form presupposes two witnesses at least, but it is easily adaptable to the case where there is one only. It is obvious that a similar clause can be used with the necessary modifications when the deed is signed by a blind person. In agreements and documents not under seal, it is usual to use the words: "Witness to the signature of A.B." In attesting the execution of a document under seal by a company, the following form is used: "The common seal of the X. Y. Company, Ltd., was hereunto affixed in the presence of

A. B. }
C. D. } Directors.
E. F., Secretary.

ATTESTED COPY. (Fr. *Copie certifiée*, Ger. *beglaubigte Abschrift*, Sp. *Copia certificada*, It. *Copia verificata*.)

It is not always possible or convenient

to produce an original document, even when the same is required in a court of law. If, then, a copy is made of the original, and if the same is examined and collated by two persons who certify it as a correct copy, adding a signed declaration to that effect on the copy, this copy, which is known as an attested copy, may generally be given in evidence in place of the original. The following is a form of attestation which can be used at the foot of an attested copy: "We have carefully examined the foregoing with the original document and attest it to be a true copy thereof." The persons who sign will add their addresses and descriptions together with the date. Attested copies are also known as "certified copies."

ATTORNEY, POWER OF. (Fr. *Pouvoir, mandat*, Ger. *Vollmacht*, Sp. *Poder, mandato*, It. *Procura, mandato.*)

A power of attorney is a formal document which authorises one person to act for, or on behalf of, another. In business, such documents are much used to obtain payments from persons living in remote districts, or in foreign countries, without the necessity of the creditor appearing in person.

The authority of the attorney (Fr. *Avoué*, Ger. *Anwalt*, Sp. *Procurador*, It. *Procuratore*) must be strictly defined by the deed appointing him. The attorney is, in fact, the special agent of the person who grants the power. By the general law of agency, the authority is determined by the death or insanity (*inter alia*) of the donor. To prevent difficulties arising out of acts done by an attorney in the name of his principal after the termination of his authority by operation of law, and without the knowledge of the attorney and the person with whom the attorney is dealing, it has been enacted by sects. 8 & 9 of the Conveyancing Act, 1882, that a power executed under a power of attorney will be permanently effectual in favour of a purchaser, if the power of attorney is given for valuable consideration and expressed to be irrevocable, and will be effectual for a fixed time, whether given for a valuable consideration or not, if expressed to be irrevocable for a specified time, not exceeding one year from the date of the instrument.

The stamp required is a 10*s.* one.

There are, however, certain powers which are less heavily taxed, viz.:—

	s.	*d.*
Power to receive prize-money or wages	1	0
Power for sale, transfer, or acceptance of any Government funds not exceeding £100 . . .	2	6
Power for receipt of dividends or interest of any stock, if for one payment only	1	0
Power for same in any other case	5	0
Proxy to vote at a meeting .	0	1

The following is a common form of a power of attorney:—

"Know all men by these presents that I, A. B. of etc., have made, ordained, constituted, and appointed, and by these presents do make, ordain, constitute, and appoint C. D. of etc., to be my true and lawful attorney for me in my name and behalf to ask, demand, sue for, enforce payment of and receive and give effectual receipts and discharges for all moneys, securities for money, debts, legacies, goods, chattels, and personal estate, of or to which I am now or may hereafter become possessed of or entitled to, or which are or may become due, payable, or transferable to me from or by any person or persons whomsoever. And upon receipt of any moneys under or by virtue of these presents, to pay the same to or deposit the same with any banker, broker, or other person on my behalf, and to lay out or invest the same or any part thereof in such stocks, funds, shares, or securities as he my said attorney shall think fit. And for the purposes aforesaid, or any of them, to sign my name to, and make, execute, and do on my behalf any cheques, contracts, agreements, deeds, transfers, assignments, instruments, and things whatsoever. And generally to act in relation to my estate and effects as fully and effectually in all respects as I myself could do, I hereby undertaking to allow, ratify, and confirm everything which my said attorney shall do or suffer by virtue of these presents. And I declare that this power shall be irrevocable for —— calendar months computed from the date thereof.

"In witness whereof I have hereunto set my hand and seal this first day of January, 1916.

"Signed, sealed, and delivered by the above-named A. B. in the presence of . . ."

The appointor signs and seals the power, and two witnesses must add their names and descriptions.

AUCTION. (Fr. *Enchère*, Ger. *Auktion, Versteigerung*, Sp. *Almoneda, subasta*, It. *Asta, incanto.*)

The method of selling property by competition is known as an auction.

It is said to have originated in ancient Rome, and to have been introduced for the purpose of disposing of spoils of war. Sales by auction are now conducted on different principles according to the custom affecting particular trades, localities, or effects. The most general mode is for a professional man, called an auctioneer, to offer the property for sale to persons assembled by advertisement, who compete for the purchase by bids, or offers of sums of money; and the person who bids last, or bids the highest amount, is declared to be the purchaser. Sales of this nature are governed by conditions which bind both the seller and the purchaser. These conditions are printed in the particulars of sale, or the catalogues of the articles to be sold. In a Dutch auction, the auctioneer commences by naming a high price, and gradually reduces it until some person closes with his offer. The Scotch term for an auction is "roup."

To prevent puffing, an Act was passed in 1867, with regard to sales of land by auction, making it necessary for a vendor to state in the particulars of sale whether the land is to be sold without reserve, or subject to a reserve price, or whether a right to bid is reserved.

The 58th section of the Sale of Goods Act, 1893, deals with sales of goods by auction.

"(1) Where goods are put up for sale by auction in lots, each lot is *primâ facie* deemed to be the subject of a separate contract of sale:

"(2) A sale by auction is complete when the auctioneer announces its completion by the fall of the hammer, or in other customary manner. Until such announcement is made, any bidder may retract his bid:

"(3) Where a sale by auction is not notified to be subject to a right to bid on behalf of the seller, it shall not be lawful for the seller to employ any person to bid at such sale, or for the auctioneer knowingly to take any bid from the seller or any other person; any sale contravening this rule may be treated as fraudulent by the buyer:

"(4) A sale by auction may be notified to be subject to a reserved or upset price, and a right to bid may also be reserved expressly by or on behalf of the seller.

"Where a right to bid is expressly reserved, but not otherwise, the seller, or any one person on his behalf, may bid at the auction."

In the case of a sale of land, or of an interest in land, there must be a note or memorandum in writing made to satisfy sect. 4 of the Statute of Frauds; and in the case of a sale of chattels, if any one article is sold for a price of £10 or upwards, there must also be a note or memorandum in writing to satisfy sect. 4 of the Sale of Goods Act, 1893.

As soon as the contract is completed, it is usual for the purchaser to pay a deposit, the amount and the time for payment of which are usually provided for in the terms of sale. The deposit is not merely a pledge, but it is a payment on account of the purchase-money. If the purchaser fails to complete the purchase, the vendor can retain the deposit and claim damages for the non-fulfilment of the contract. If the vendor is in default, the deposit must be returned to the purchaser, who has likewise a right of action against the vendor for breach of contract.

AUCTIONEER. (Fr. *Commissaire-priseur*, Ger. *Auktionator*, *Ausrufer*, *Versteigerer*, Sp. *Vendutero*, *Corredor de almoneda*, It. *Venditore all' incanto*, *venditore d'asta*.)

An auctioneer is a person licensed to conduct a sale of goods or other property by public auction for a reward, generally in the form of a commission. A woman may act as an auctioneer.

The cost of an auctioneer's licence is £10 per annum. The licence expires on the 5th July of each year; and if it is intended to renew it, the renewal must take place at least ten days *before* that date. The penalty for acting as an auctioneer without a licence is £100; for purporting to carry on business as such, £20. The holder of an auctioneer's licence may act as an appraiser or house-agent without any further payment; and as the licence is personal to the auctioneer, he may carry on his business at several different places. By an Act of 1845, an auctioneer is bound to put up in a public position in his sale-room, during the sale, his full name and address.

No licence is required by a person for the sale of goods and chattels under a distress for rent, nor for sales under the provisions of the Small Debts Acts of Scotland and Ireland.

The auctioneer is primarily the agent of the seller, and his authority may be revoked at any time before a sale takes place, unless the rights of third parties would suffer. After the sale he is presumed to be the agent of the purchaser for the purpose of signing the note or memorandum required by the Statute

of Frauds or by the Sale of Goods Act. This is a presumption which may, however, be rebutted.

The duties of an auctioneer are :—

(1) To obey the instructions of his principal.

(2) To carry out his duties himself, and not to delegate them to any clerk, unless he has authority, or unless there is a special custom for him to do so.

(3) To store and to keep the goods entrusted to him with proper care.

(4) To use his best efforts to obtain the highest price possible for the property sold.

(5) To receive the purchase-money in cash for goods sold by him before they are allowed to pass into the hands of the purchaser. (N.B.—In the case of a sale of land the auctioneer has only authority to receive the deposit, and not the whole of the purchase-money.)

If the auctioneer fails in any of these duties he is liable to an action for negligence on the part of the seller. He is, moreover, personally liable upon contracts which he was not authorised to make, or may sue upon them, unless he has disclosed the name of his principal. For example, without special instructions he has no power to warrant the goods which he sells. But he cannot successfully sue upon a contract which he has signed as agent.

An auctioneer who advertises the sale of certain goods by auction does not, by means of that advertisement alone, enter into any contract or warranty with the persons who attend the sale that the goods shall actually be sold. The advertisement is simply an invitation to come and offer. But where a sale is advertised without reserve, and some of the goods are put up and bid for, there is a binding contract between the auctioneer and the highest bidder that the particular goods shall be knocked down to him.

For his remuneration the auctioneer has a lien upon the goods in his possession. The scale of remuneration is either fixed by special contract or is according to the custom of the business. The usual scale of commission is: On the sale of land, 5 per cent. on the first £100; 2½ per cent. up to £5,000; and 1½ per cent. above that sum. On the sale of furniture, etc., 5 per cent. up to £500, and 2½ per cent. on the remainder. Where a sale is under a distress for rent, the rate of commission is fixed by the Distress for Rent Rules, 1888. (See *Bailiff*.) The cost of advertisements must be specially provided for. If no sale takes place, the commission payable is calculated upon the reserve.

An auctioneer may, in the course of his business, be liable for what is known in law as conversion, which has been defined as "an unauthorised act which deprives another of his property permanently or for an indefinite time." The liability depends upon whether the goods are dealt with for the purpose of passing the property in them, or whether there is simply a settling of the price or the performance of some other act which makes the auctioneer a mere intermediary between the supposed owner and the purchaser. For the former, the auctioneer is liable, for the latter, not. In the case of *Cochrane* v. *Rymill* (40 L.T. Rep. 744) it was said in the course of the judgment: "The defendant had possession of these goods; he advertised them for sale; he sold them, and transferred the property in them, and therefore from beginning to end he had control over the property; and unless we are prepared to hold contrary to all the definitions of conversion which have been laid down, we must hold that such acts amount to conversion. But the auctioneer will not be held guilty of conversion if he has not claimed to transfer the title nor purported to sell, but has simply re-delivered the chattels to the person to whom the man from whom he received them told him to deliver them."

The Auctioneers' Institute of the United Kingdom (Incorporated) is an association of auctioneers, valuers, and land, estate, and house agents, formed for the purpose of promoting the efficiency and usefulness of its members. There are seven district branches in England and Wales. Lectures are given monthly during the winter, and examinations are held once a year. The offices of the Institute are at 34, Russell Square, W.C.

AUDIT. (Fr. *Audition*, Ger. *Bücherrevision*, Sp. *Ajuste de cuentas*, It. *Verificazione d'un conto*.)

An audit is an examination of the accounts of any business concern by a person who hears or sees the statement, and who verifies the same by reference to vouchers, etc.

The object of an audit is to see that the accounts truly represent the state of affairs of the concern, and, if they are correct, the auditor usually signs a declaration to that effect.

AUDITOR. (Fr. *Censeur*, Ger. *Bücherrevisor*, Sp. *Contador, revisor de cuentas*, It. *Revisore, verificatore.*)

An auditor is a person who audits accounts. Such a person has also the right of examining, and hearing the explanations of persons who are responsible for the accounts under examination.

The employment of an auditor or of auditors is gradually becoming compulsory in many affairs, and various Acts of Parliament have been passed which contain "audit provisions." The principal of these have reference to Public Health, Municipal Corporations, Sheriffs, Local Government Bodies, Educational Authorities, Lunacy, Railway Companies, Oxford and Cambridge Universities, the Housing of the Working Classes, Building Societies, Friendly Societies, and Trustee Savings Banks.

The most important instance of the employment of auditors, however, is in connection with joint-stock companies, and several important cases have clearly set forth the duties and the liabilities of auditors. In the main these duties and liabilities are imposed in every kind of employment.

An auditor is, in fact, a kind of agent, and as such he comes within the general law applicable to agents. He must do his work with proper care and skill, and if damage results from his negligence he is liable to an action at the instance of any person who is damnified.

In quite recent times, Lord Justice Lindley has laid down the law as to the duties of auditors with great clearness. "Auditors are, in my opinion, bound to see what exceptional duties, if any, are cast upon them by the articles of the company whose accounts they are called upon to audit. Ignorance of the articles and of exceptional duties imposed by them would not afford any legal justification for not observing them. . . . It is no part of an auditor's duty to give advice either to directors or shareholders as to what they ought to do. An auditor has nothing to do with the prudence or imprudence of making loans with or without security. It is nothing to him whether the business of a company is being conducted prudently or imprudently, profitably or unprofitably. It is nothing to him whether dividends are properly or improperly declared, provided he discharges his own duty to the shareholders. His business is to ascertain and state the true financial position of the company at the time of the audit, and his duty is confined to that. But then comes the question: How is he to ascertain that position? The answer is: By examining the books of the company. But he does not discharge his duty by doing this without inquiry and without taking any trouble to see that the books themselves show the company's true position. He must take reasonable care to ascertain that they do so. Unless he does this, his audit would be worse than idle farce. Assuming the books to be so kept as to show the true position of a company, the auditor has to frame a balance sheet showing that position according to the books, and to certify that the balance sheet presented is correct in that sense. But his first duty is to examine the books not merely for the purpose of ascertaining what they do show, but also for the purpose of satisfying himself that they show the true financial position of the company. An auditor, however, is not bound to do more than exercise reasonable care and skill in making inquiries and investigations. He is not an insurer; he does not guarantee that the books do correctly show the true position of the company's affairs; he does not even guarantee that his balance sheet is accurate according to the books of the company. If he did he would be responsible for an error on his part, even if he were himself without any want of reasonable care on his part—say, by the fraudulent concealment of a book from him. His obligation is not so onerous as this. Such I take to be the duty of the auditor: he must be honest—i.e., he must not certify what he does not believe to be true, and he must take reasonable care and skill before he believes that what he certifies is true. What is reasonable care in any particular case must depend upon the circumstances of that case. Where there is nothing to excite suspicion, very little inquiry will be reasonably sufficient, and, in practice, I believe, business men select a few cases at haphazard, see that they are right, and assume that others like them are correct also. Where suspicion is aroused m
ously necessary; but, still, an auditor is not bound to exercise more than reasonable care and skill even in a case of suspicion, and he is perfectly justified in acting on the opinion of an expert where special knowledge is required. But an auditor is not bound to be suspicious as distinguished from reasonably

careful." In accordance with these principles it was held, in the case of the *Kingston Cotton Mills Co.* (1896), 2 Ch., 279, that auditors who, without any ground for suspicion, had accepted and acted upon the certificate of the manager of the company as to the amount and value of the stock of the company (the manager being an old and trusted servant of the company, of high character and competence, and trusted by all who knew him), were under no liability for the balance sheet drawn up, and upon which the directors declared a dividend, though the valuation was proved to have been false to the knowledge of the manager.

Since 1901 auditors have been necessary in the case of all joint-stock companies. The law is set forth in certain sections of the Companies Acts of 1900 and 1907 respectively; and these sections are now repealed and re-enacted in the Companies (Consolidation) Act, 1908. The names and the addresses of the auditors must appear in the prospectus of the company (sect. 81), and the other sections dealing with auditors, their appointment and duties, are as follows:—

"112.—(1) Every company shall at each annual general meeting appoint an auditor or auditors to hold office until the next annual general meeting.

"(2) If an appointment of auditors is not made at an annual general meeting, the Board of Trade may, on the application of any member of the company, appoint an auditor of the company for the current year, and fix the remuneration to be paid to him by the company for his services.

"(3) A director or officer of the company shall not be capable of being appointed auditor of the company.

"(4) A person, other than a retiring auditor, shall not be capable of being appointed auditor at an annual general meeting unless notice of an intention to nominate that person to the office of auditor has been given by a shareholder to the company not less than fourteen days before the annual general meeting, and the company shall send a copy of any such notice to the retiring auditor, and shall give notice thereof to the shareholders, either by advertisement or in any other mode allowed by the articles, not less than seven days before the annual general meeting:

"Provided that if, after notice of the intention to nominate an auditor has been so given, an annual general meeting is called for a date fourteen days or less after the notice has been given, the notice, though not given within the time required by this provision, shall be deemed to have been properly given for the purposes thereof and the notice to be sent or given by the company may, instead of being sent or given within the time required by this provision, be sent or given at the same time as the notice of the annual general meeting.

"(5) The first auditors of the company may be appointed by the directors before the statutory meeting, and if so appointed shall hold office until the first annual general meeting, unless previously removed by a resolution of the shareholders in general meeting, in which case the shareholders at that meeting may appoint auditors.

"(6) The directors may fill any casual vacancy in the office of auditor, but while any such vacancy continues the surviving or continuing auditor or auditors, if any, may act.

"(7) The remuneration of the auditors of a company shall be fixed by the company in general meeting, except that the remuneration of any auditors appointed before the statutory meeting, or to fill any casual vacancy, may be fixed by the directors.

"113.—(1) Every auditor of a company shall have a right of access at all times to the books and accounts and vouchers of the company, and shall be entitled to require from the directors and officers of the company such information and explanation as may be necessary for the performance of the duties of the auditors.

"(2) The auditors shall make a report to the shareholders on the accounts examined by them, and on every balance sheet laid before the company in general meeting during their tenure of office, and the report shall state—

"(*a*) whether or not they have obtained all the information and explanations they have required; and

"(*b*) whether, in their opinion, the balance sheet referred to in the report is properly drawn up so as to exhibit a true and correct view of the state of the company's affairs according to the best of their information and the explanations given to them, and as shown by the books of the company.

"(3) The balance sheet shall be signed on behalf of the board by two of the directors of the company or, if there is only one director, by that director, and the auditors' report shall be attached to

the balance sheet, or there shall be inserted at the foot of the balance sheet a reference to the report, and the report shall be read before the company in general meeting, and shall be open to inspection by any shareholder.

"Any shareholder shall be entitled to be furnished with a copy of the balance sheet and auditors' report at a charge not exceeding sixpence for every hundred words.

"(4) If any copy of a balance sheet which has not been signed as required by this section is issued, circulated, or published, or if any copy of a balance sheet is issued, circulated, or published without either having a copy of the auditors' report attached thereto or containing such reference to that report as is required by this section, the company, and every director, manager, secretary, or other officer of the company who is knowingly a party to the default, shall on conviction be liable to a fine not exceeding fifty pounds.

"(5) In the case of a banking company registered after the fifteenth day of August eighteen hundred and seventy nine—

"(*a*) if the company has branch banks beyond the limits of Europe, it shall be sufficient if the auditor is allowed access to such copies of and extracts from the books and accounts of any such branch as have been transmitted to the head office of the company in the United Kingdom; and

"(*b*) the balance sheet must be signed by the secretary or manager (if any), and where there are more than three directors of the company by at least three of those directors, and where there are not more than three directors by all the directors."

An auditor's report is generally in some such form as the following—

"To the Shareholders of the A. B. Company, Limited.

"Ladies and Gentlemen,—

"I have audited the above balance sheet, and have obtained all the information and explanations I have required. Apart from the fact that I consider that the amount set aside as depreciation on machinery and plant to be insufficient, the above balance sheet is, in my opinion, properly drawn up so as to exhibit a true and correct view of the state of the company's affairs, according to the best of my information and the explanations given to me, and as shown by the books of the company. "I am,

"Your obedient servant,

"C. W., *Auditor.*"

The remuneration to be paid to an auditor is always a matter of agreement, the amount depending upon the nature and extent of the audit. The general rule is to pay one inclusive fee.

AUTHOR'S PROOF. (Fr. *Épreuve*, Ger. *Druckprobe*, Sp. *Cuartillas de prueba*, It. *Prova d'autore.*)

This is a copy of any printed matter sent to an author after the errors of the compositor have been corrected.

AVERAGE. (Fr. *Moyenne*, Ger. *Durchschnitt*, Sp. *Promedio*, It. *Media.*)

If any number of quantities are added together, and divided by the number of quantities, the quotient is the average. or the mean, as it is sometimes called. If, for example, five vessels contain respectively 7, 10, 6, 4, and 8 quarts of any liquid, these figures added together make 35, which, divided by 5, gives 7 as the average; that is, if each vessel contained 7 quarts the total quantity would be 35.

The word thus used as an arithmetical term is quite modern, though it has quite obscured the original meaning it had. viz., in connection with marine insurance.

AVERAGE. (Fr. *Avarie*, Ger. *Havarie*, Sp. *Avería*, It. *Avaria.*)

The original meaning of this word, and the one which it still retains in commerce, is damage or loss by sea. In a secondary sense it signifies a proportionate distribution among the underwriters or shipowners of the loss which has been sustained.

It appears that the traders of the Hanseatic League were the first to introduce the practice of marine insurance into England; and the term "average" is derived from them. The Norse word for sea is *haf*. The low Latin *averagium* is, without doubt, an adaptation by the Lombards of the English average. (See *Marine Insurance.*)

AVERAGE BOND. (Fr. *Assurance contre le jet à la mer*, Ger. *Havarieakte*, Sp. *Obligación de avería*, It. *Obbligazione di avaria.*)

This is a bond taken out by the captain of a vessel which has incurred a general average loss, and signed by the consignees of the cargo before any delivery is made to them, thereby binding them to pay their proportion of average as soon as it has been ascertained.

AVERAGE CLAUSE. (Fr. *Clause de jet à la mer*, Ger. *Havarieklausel*, Sp. *Cláusula de avería*, It. *Clausola di avaria.*)

This is a clause in a marine insurance policy, which provides that some articles shall be free from average unless general,

and that others shall be free from average if under a certain percentage named.

AVERAGE DUE DATE. (Fr. *Echéance moyenne*, Ger. *Durchschnittsverfalltag*, Sp. *Vencimiento medio*, It. *Scadenza media.*)

When various accounts fall due on separate dates, it is sometimes convenient to be able to determine on what date one single payment can be made so as to settle up the whole. This date is called the "average due date," or sometimes the "equated time."

AVERAGE, GENERAL. (Fr. *Avarie générale*, Ger. *allgemeine Havarie*, Sp. *Avería gruesa*, It. *Avaria generale.*)

"All loss which arises in consequence of extraordinary sacrifices made, or expenses incurred, for the preservation of the ship and cargo comes within general average, and this must be bôrne proportionably by all who are interested."

The term is applied to the apportionment of loss which takes place. The law applicable to apportionment is generally determined by the agreement of the parties; but if not, that of the port of destination of the ship prevails. In order to render the practice in general average uniform, a set of rules, known as the York-Antwerp Rules, were drawn up in 1877, and these are becoming generally adopted, especially in marine insurance policies, when the adjustment of losses has to be made between underwriters and not between individual consignors of goods and the shipowner. A new set of rules was suggested at a conference held in Glasgow in the autumn of 1901.

General average implies that the whole adventure has been in jeopardy.

In order that general average may arise there must have been,

(*a*) A loss incurred intentionally;

(*b*) The avoidance of a danger common to the interests of all parties;

(*c*) An absolute necessity for some sacrifice to be made;

(*d*) The preservation of the ship and some portion of the cargo; and

(*e*) No default on the part of the person whose interest has been sacrificed.

AVERAGE, PARTICULAR. (Fr. *Avarie particulière*, Ger. *besondere Havarie*, Sp. *Avería particular*, It. *Avaria speciale o particolare.*)

Any loss occasioned through damage to the ship or the cargo, which is not for the benefit of all parties, or which has arisen through accident, is known as particular average. Loss of an anchor, damage to goods by sea-water, and the falling of goods overboard are examples. Losses of this kind remain where they fall, and must be borne by the owners of the goods or by the insurance companies, if they have been insured. But no compensation can be claimed from any other persons whose goods are on board.

If the loss is a partial one the amount of it is estimated by deducting the sale price of the damaged goods from the original market value.

AVERAGE STATEMENT. (Fr. *Dispache*, Ger. *Dispache*, Sp. *Estado de averías*, It. *Regolamento dell' avaria.*)

This is the statement made by an average stater or adjuster, when a claim is made in case of general average. It sets forth the amount of contribution to be paid by the various parties who have been concerned in the sea adventure, and whose goods have been saved by the sacrifice made.

AVERAGE STATER OR ADJUSTER. (Fr. *Dispacheur*, *Régulateur des avaries*, Ger. *Dispacheur*, Sp. *Tasador de averías*, It. *Liquidatore dell' avaria.*)

This is a person skilled in marine insurance affairs, who, when the insured are claiming indemnity for loss, is employed to prepare statements of the averages previous to their being adjusted by the underwriters, such statements often being of a most elaborate and intricate character, requiring great skill and experience in drawing them up.

AVERAGING. (Fr. *Donner pour prix commun*, Ger. *Durchschnittspreis*, Sp. *Fijar un término medio*, It. *Fissare un prezzo medio.*)

This is the system by which a speculator increases his transactions at a higher or a lower figure when the price moves against him, so that the average price of the whole will be higher or lower than that at which he originally purchased or sold. A bull (*q.v.*) would average by buying a further quantity as the price fell away, and a bear (*q.v.*) by selling a further quantity as the price rose against him.

AVOIRDUPOIS. (Fr. *Avoir-du-poids*, Ger. (*Englisches*) *Handelsgewicht*, Sp. *Peso comun*, It. *Misura inglese di peso.*)

Avoirdupois is the name given to the system of weights used, both in England and in America, in general commerce. The ounce contains 437½ grains. The value of the grain is set forth in the Act of Parliament, 5 Geo. IV, c. 74, in the following words: "A cubic inch of distilled water weighed in air, by brass

weights, at the temperature of 62° of Fahrenheit's thermometer, the barometer being at 30 inches, is equal to 252 grains and four hundred and fifty-eight thousandth parts of a grain." The pound avoirdupois contains 7,000 such grains.

AWARD. (Fr. *Jugement arbitral*, Ger. *Schiedsrichterspruch*, Sp. *Decisión arbitral*, It. *Sentenza degli arbitri.*)

An award is the finding or decision of an arbitrator or arbitrators, or their umpire, on matters in dispute between parties, before or after litigation.

There is no special form required by law in which an award should be made, nor need the award be in writing; but a written award is necessary where there has been a written submission, unless a contrary intention is expressed in the submission.

The award must embody the decision of the arbitrator or umpire himself, though its form may be settled by another person, e.g., the solicitor of the arbitrator. If there are more arbitrators than one, the award must be signed by each of them, and this must be done at the same time and in one another's presence.

The award must be made within three months of the submission to arbitration, unless the time is extended by notice given by the arbitrator or umpire to the parties. It is not usual for the award to be delivered except upon payment of the costs of the arbitrator or umpire. The amount of the costs may be fixed by the arbitrator himself if the submission does not otherwise provide, and the court will not interfere unless the amount is excessive.

In the absence of any misconduct on the part of the arbitrator or umpire, or of an excess of authority which invalidates the whole arbitration, the award is a final and conclusive judgment on all matters referred by the submission as between the parties, and the court will not interfere with it either by altering or amending it.

An award requires a stamp of 10*s.* This was fixed by the Revenue Act, 1906. Prior to that date there had been *ad valorem* duties imposed, varying from 3*d.* for awards where the amount or value did not exceed £5, to £1 15*s.* 0*d.* where the amount or value exceeded £1,000.

The award has the same legal effect as a judgment of the court and, if it is not satisfied, bankruptcy proceedings may be founded upon it.

As stated above, there is no special form in which an award should be drawn up. The following, however, may serve as a specimen :—

"To all to whom these presents shall come, I A. B. of etc. send greeting. Whereas by an agreement in writing bearing the date of etc. and made between C. D. of etc. of the one part and E. F. of etc. of the other part, the said parties agreed to refer all matters and difference between them to me (*here set out in detail all the matters in dispute*). Now know ye that I the said A. B. having taken upon myself the burthen of the said arbitration, and having heard and duly considered all the allegations and evidence of the said respective parties of and concerning the said matters in difference and so referred as aforesaid, do make and publish this my award in writing of and concerning the said matters so referred to me, and do hereby award that (*here state in full the whole decision of the arbitrator*).

"In witness whereof I have hereunto set my hand this 15th day of June, 1916.

"A. B."

"Witness, X. Y. of etc."

B. This letter occurs in various abbreviations. The following are the principal :—

B/E, Bill of Exchange.
B/L, Bill of Lading.
B/P, Bill of Parcels, or Bills Payable.
B.P.B., Bank Post Bill.
B/R, Bills Receivable.
B/S. Bill of Sale.

BACK-BOND. (Fr. *Hypothèque*, Ger. *Hypothek*, Sp. *Hipoteca*, It. *Ipoteca.*)

This is a bond given by one who is the absolute owner of a property so as to reduce his right to that of a trust, his original right being stipulated to be given back on payment of the money borrowed on the bond.

BACKED-NOTE. (Fr. *Permis d'embarquement*, Ger. *Ladeschein*, Sp. *Guia*, It. *Permesso d'imbarcare.*)

This is a shipping term for a receiving note bearing the indorsement of a shipbroker. It is an authority for goods to be brought in barges alongside a ship, and for the officer in charge of the vessel to take them on board.

BACKWARDATION. (Fr. *Déport*, Ger. *Deportgeschäft*, Sp. *Interés que paga el bajista*, It. *Deporto, interesse pagato da chi giuoca al ribasso.*)

There is said to be a backwardation on securities when they can be bought cheaper for the account than for money,

The term is also used to represent the rate of interest, either of so much per share, or so much per cent., charged or allowed for carrying forward a bear transaction to the next settlement.

BAGGAGE. (Fr. *Bagages*, Ger. *Gepäck*, Sp. *Equipaje*, It. *Bagaglio.*)

This is a general term used to denote luggage, wearing apparel, personal effects, etc., which are taken on board ship by passengers, and even for their accommodation and use during a voyage. In America, the word is also used to denote luggage carried by land.

BAIL. This word is used with a twofold meaning :—

1. To indicate the person (Fr. *Garant*, Ger. *Bürge*, Sp. *Fiador judicial*, It. *Garante*) who undertakes to go surety for the appearance of another in a court of law to answer a charge made against him, so that this other person may enjoy his freedom whilst awaiting his trial; and

2. To indicate the security (Fr. *Caution*, Ger. *Bürgschaft*, Sp. *Seguridad*, It. *Cauzione*, *garanzia*) given for such re-appearance.

The word is derived from the low Latin, *baila*, a nurse, or the Old French *bail*, a guardian or tutor.

BAIL-BOND. (Fr. *Caution*, Ger. *Bürgschaftsschein*, Sp. *Garantia*, It. *Cauzione.*)

This is the name of the bond given by a prisoner and his surety upon the prisoner being bailed.

BAILEE. (Fr. *Dépositaire*, Ger. *Depositar*, Sp. *Depositario*, It. *Depositario.*)

A bailee is a person to whom goods are delivered in trust under a contract.

BAILER or **BAILOR.** (Fr. *Déposant*, Ger. *Deponent*, Sp. *Fiador*, It. *Depositante.*)

This is a person who delivers goods to another in trust under a contract, to be held until reclaimed by the depositor.

BAILIFF. (Fr. *Huissier*, *intendant*, Ger. *Gerichtsvollzieher*, *Verwalter*, Sp. *Alguacil del juzgado*, It. *Usciere*, *birro*, *fattore o agente di campagna.*)

The literal meaning of this word is one who has goods placed under his bail or control. The modern meanings are :—

(1) An agent, or an overseer acting on behalf of a superior. The word is derived from the middle Latin *ballivus*, from the classical Latin *bajulus*, and signifies a burden-bearer. In this sense it is now usually applied in particular to a land steward.

(2) A legal officer, acting under the sheriff, who is employed for the purpose of making arrests, levying executions, or distraining for rent. The sheriff himself is the King's bailiff, and his county is called his bailiwick.

A bailiff of a county court is one who acts under the supervision and direction of an official of the court, called the High Bailiff. No person can act as such without obtaining a certificate of fitness from a county court judge, and the certificate will be cancelled if the judge is satisfied that there has been any irregularity or misconduct on the part of the bailiff. The bailiff must produce his certificate if called upon to do so by any person upon whose goods he levies an execution or a distress.

The fees to which a county court bailiff is entitled are set out in the following table. The table itself, together with a list of the certified bailiffs of the district, must be posted up in every county court office.

TABLE OF FEES, CHARGES, AND EXPENSES.

I. *Distresses for rent where the sum distrained for is more than* £20.

For levying distress: 3 per cent. on any sum exceeding £20 and not exceeding £50; $2\frac{1}{2}$ per cent. on any sum exceeding £50 and not exceeding £200, and 1 per cent. on any additional sum.

For man in possession, *5s.* per day; the man to provide his own board in every case.

For advertisements, the sum actually and necessarily paid.

For commission to the auctioneer: on sale by auction, $7\frac{1}{2}$ per cent. on the sum realised not exceeding £100; 5 per cent. on the next £200; 4 per cent. on the next £200, and on any sum exceeding £500, 3 per cent. up to £1,000, and $2\frac{1}{2}$ per cent. on any sum exceeding £1,000. A fraction of £1 is in all cases reckoned as £1.

Subject to settlement by the registrar in case of dispute, reasonable fees, charges, and expenses are allowed where the distress is withdrawn, or where no sale takes place, and for negotiations between landlord and tenant respecting the distress.

For appraisement (*q.v.*) on the written request of the tenant, whether by one broker or more, *6d.* in the £ on the value as appraised, in addition to the amount of the stamp.

II. *Distresses for rent where the sum distrained for does not exceed* £20.

For levying distress, *3s.*

For man in possession, *4s. 6d.* a day; the man to provide his own board in every case.

For appraisement, on the written

request of the tenant, whether by one broker or more, 6*d.* in the £ on the value as appraised, in addition to the amount for the stamp.

For all expenses of advertisements, if any, 10*s.*

Catalogues, sale and commission, and delivery, 1*s.* in the £ on the net produce of the sale.

Subject to settlement by the registrar in cases of dispute, if the goods are removed at the request of the tenant, the reasonable expenses attending such removal are also allowed.

BAILMENT. (Fr. *Depôt, rémise,* Ger. *anvertrautes Gut, Deposit,* Sp. *Depósito,* It. *Deposito.*)

This is the name given to the delivery of a thing by one person to another in trust for some special object or purpose, and upon a contract, express or implied, to conform to the object or purpose of the trust.

Lord Holt divided bailments into six classes: *depositum, mandatum, commodatum, vadium, locatio rei,* and *locatio operis faciendi.* Of these the first two are for the benefit of the bailor alone, the third for the benefit of the bailee, and the remainder for the mutual benefit of the bailor and the bailee.

(1) *Depositum.* This is the delivery of goods to be taken care of for the bailor, the bailee receiving nothing for his trouble, e.g., the common case of one neighbour asking another to take care of articles of value during the absence of the former from home. The bailee has no right to use the articles deposited, except at his own risk, and must return them on demand. Whilst they are under his charge he is only responsible for gross negligence, and the question of the amount of negligence will generally depend upon the particular facts of the case. Thus, a bailee cannot be held responsible for a theft of the goods deposited, which happened through no fault of his own, nor for loss arising out of the action of third parties, nor for the consequences of a mere accident, such as fire. In a recent case the plaintiff brought an action to recover damages for the loss of an overcoat through the negligence of the defendant, a restaurant keeper. It appeared that the plaintiff entered the restaurant for the purpose of dining, and that a waiter took his overcoat from him, without being requested to do so, and hung it on a peg behind the plaintiff. The coat was stolen. It was held that there was evidence to warrant a verdict for the plaintiff on the ground that there was evidence from which a jury might find that the defendant was a bailee of the overcoat, and that he had been guilty, through his servant, of negligence while it was in his custody. On the other hand, where an author sent a manuscript play to a theatrical manager, and the latter lost it, in the absence of any evidence of wilful negligence it was held that the manager could not be held responsible for the loss.

If money is deposited for safe custody, as distinguished from money deposited by way of a loan, no right of action to recover the same arises until a demand has been made by the depositor, and therefore the Statute of Limitations, which allows six years within which an action arising out of a simple contract must be commenced, only runs from the date of the demand.

(2) *Mandatum.*—This is the delivery of goods for the purpose of something being done with them, the bailee not being remunerated for his trouble. Unless there is a special undertaking on the part of the bailee to be responsible for the goods handed to him, he is only liable, as in the case of *depositum,* for gross negligence. But he must use any special skill that he happens to possess. In an old case a horse was delivered to the defendant by the plaintiff in order that the former should ride it and show it for sale. It was proved that the defendant was a person conversant with horses; and in an action brought by the plaintiff for injuries sustained by the horse through the negligent riding of the defendant, it was held that the defendant was liable, although he did not receive any reward for his services.

(3) *Commodatum.*—This is the lending of an article or articles to be returned in the same condition as at the time of the loan, reasonable wear and tear excepted. If the article or articles to be returned are not the identical ones lent, but others of equal value, e.g., postage stamps or money, the bailment is said to be *mutuum,* and not *commodatum.*

Since the benefit of such a bailment is for the bailee alone, he is responsible for the slightest negligence. But if the articles perish by inevitable accident he will be excused. This is only true as to *commodatum.* In *mutuum,* on the other hand, the right of property and the risk pass immediately upon delivery to the bailee, and he must restore the

equivalent to the bailor whatever happens.

It is the duty of the bailor to inform the bailee of any known defects in the articles deposited.

The bailee has no lien upon the goods lent to him for any antecedent debts due to him, and he is not entitled to retain them until the bailor pays the expenses to which he has been put in connection with their custody.

(4) *Vadium.*—This is the contract of pawn. (See *Pawn* and *Pawnbroker.*)

(5) *Locatio rei.*—This is the deposit of goods upon hire. The degree of negligence for which a hirer is answerable is intermediate between that of the first two and the third of the class of bailments. The test may be laid down to be the degree of care which might be expected from a prudent man in dealing with his own property. The terms of the bailment will generally be indicated in the hiring agreement, and the bailee must not do anything inconsistent with these terms, otherwise the bailment is at an end.

There is an implied warranty on the part of the letter that the goods hired are reasonably fit for the purpose for which they are supplied, and that they are free from all unreasonable defects. (See *Hire Purchase.*)

(6) *Locatio operis faciendi.*—This is the deposit of goods upon which labour is to be expended, and for which the bailee is to be remunerated. Bailees of this class include wharfingers, carriers, etc. The measure of liability in this class of bailment is generally the same as that in the case of *locatio rei*, but this may be increased by reason of the known or professed skill of the bailee.

BALANCE. (Fr. *Balance, Solde d'un compte*, Ger. *Saldo, Unterschied in der Rechnung*, Sp. *Saldo*, It. *Saldo.*)

This, in banking accounts and commercial statements, is the difference between the two sides of an account, or the sum required to make the debtor and the creditor sides equal in amount.

In the weekly report of the Bank of England it is called the "rest."

BALANCE OF TRADE. (Fr. *Balance du commerce*, Ger. *Handelsbilanz*, Sp. *Balanza del comercio*, It. *Bilancia del commercio.*)

This term is used to express the difference between the money value of the exports and the imports of a particular country. The balance is erroneously, and without meaning, said to be in favour of, or against a country according as the exports or the imports are in excess of each other. The balance of trade regulates the rate of exchange, but it is impossible to draw conclusions from it either as to the positive gain of a country, or as to its gain relatively to that of the country with which the balance arises.

"There is," says M'Culloch, "no jugglery in commerce. Whether it is carried on between individuals of the same country, or of different countries, it is, in all cases, founded on a fair principle of reciprocity. Those who will not buy need not expect to sell, and conversely. It is impossible to export without making a corresponding import. Nothing is obtained from a foreigner gratuitously; and, hence, when restraints are placed upon importations, there is, by the very act, a similar restraint placed upon exportations to an equivalent amount in value. All that the exclusion of foreign commodities ever effects is the substitution of one sort of demand for another.

"It has been said that when we drink ale and stout we consume the produce of British industry, whereas, when we drink port or claret we consume the produce of the industry of the Portuguese or French, to the obvious advantage of the foreigner and the prejudice of our own fellow-countrymen; but this is not so. We either send directly to Portugal or France an equivalent in British produce, or we procure bullion and send that bullion to the Continent to pay for the wine. Hence, it is as clear as the sun at noonday, that the Englishman who drinks only French wine gives, by occasioning the exportation of a corresponding amount of British corn, hardware, leather, or other produce, the same encouragement to the industry of his countrymen that he would were he only to consume British produce."

It is immaterial whether money or native produce is given in exchange for imported goods. At the same time, it must be understood that when money is given, there must exist some active industry in the country by which the money is realised. As a general question in commerce it is of no consequence what is the nature of the industry by which the money is produced. It may consist in :—

(1) Raising superabundant crops, or other raw produce, such as meat, for export, as in the case of *Australia*, New Zealand, and Canada.

(2) Manufacturing raw and comparatively valueless materials into articles of value and demand, as in the case of the United Kingdom.

(3) Carrying goods from one country to another, as is again the case with the United Kingdom.

Unless a country possesses one or more of these branches of industry it is without the means of paying for imported articles, and must retire from the field of general commerce.

The United Kingdom has not a large enough area to export superabundant crops of grain; but it possesses, in an extraordinary degree, the means of manufacturing raw materials, such as cotton, wool, flax, minerals, etc., into articles of exchange; and it derives no inconsiderable profit from the carriage of commodities.

British manufactured goods, therefore, pay for imports of foreign articles, including bullion, or the raw material of money; and these, again, in a manufactured state, are a fund for the payment of still further imports. Thus, the wealth of the country has increased, and is still on the increase.

The attainment of a favourable balance of trade was, for many years, regarded as an object of the greatest importance. The precious metals, in consequence of their being used as money, were long regarded as the only real wealth that could be possessed by individuals or by nations; and as countries without mines could only obtain supplies of these metals by exchanging exported products for them, it was concluded that, if the value of the commodities exported exceeded that of those imported, the balance would have to be paid by importing an equivalent amount of the precious metals, and conversely. A very large proportion of the restraints imposed upon freedom of commerce during the last three hundred years grew out of this notion, which was called the "mercantile system."

The importance of possessing a favourable balance being universally admitted, every effort was made to retain it; and nothing seemed so effectual for this purpose as devising schemes to facilitate the export and to hinder the import of almost all products that were not intended for future export, except gold and silver.

It is now conceded, on all hands, that gold and silver are but commodities in the ordinary sense of the word; that, considered as such, there is nothing exceptional about them; and that it is in no respect necessary to interfere, either to encourage their importation, or to prevent their export, for they are the least profitable of all merchandise.

The proper business of a wholesale merchant consists in carrying the various products of the different countries of the world from those places where their value is least to those where it is greatest; or, what amounts to the same thing, in distributing them according to the effective demands.

It is clear that there can be no motive to export any kind of produce unless it is intended to import goods of a greater value; and so an excess of exports over imports, instead of being an indication of advantageous commerce, is exactly the reverse. As the late Professor Thorold Rogers said: "A vast excess of imports over exports does not mean that the country is spending more than it receives, but just the contrary, receiving more than it spends, and receiving it in the most advantageous manner."

The truth is that unless the value of imports exceeds the value of exports, foreign trade cannot be carried on. Were this not the case, that is, were the value of exports always greater than the value of imports, merchants would lose on every transaction with foreigners, and trade with them would speedily be abandoned.

It is almost impossible to compare the real value of imports with the real value of exports. The value of an exported commodity is estimated at the moment of its being sent abroad, and before its cost is increased by the expense of transporting; whereas, the value of a commodity imported in its stead is estimated after it has arrived at its destination; and, consequently, after its cost has been enhanced by the expense of freight, the cost of insurance, and the profits of the importer.

Even when a balance is due from one country to another, it is not always evident from the fact that one country is sending gold to the other. The laws which regulate the trade in bullion are not in any degree different from those which regulate the trade in other commodities. Bullion is exported only when its exportation is an advantage, or when it is more valuable abroad than at home.

For many years prior to the outbreak of the Great War in 1914, the value of the imports of the United Kingdom had been vastly in excess of that of the

exports. This excess was accounted for by taking into account—

(1) The interest on British capital invested abroad.

(2) The cost of carriage, which was mainly carried on by this country.

(3) Sundry payments and earnings, such as trade profits.

These items have been largely affected by the events of the last five years, and the future is being contemplated with much anxiety.

BALANCE SHEET. (Fr. *Bilan, balance*, Ger. *Bilanz, Rechnungsabschluss*, Sp. *Balance*, It. *Bilancio.*)

A balance sheet is a commercial document showing a summary and balance of accounts. Every man of business, even if only for his own satisfaction, makes up a balance sheet annually. The document should show:—

(1) The value of all goods, etc., possessed by the merchant;

(2) The money debts owing to him;

(3) The value of other property belonging to him; and

(4) A complete list of all debts and other obligations due by the merchant.

"A full and fair balance sheet must be such a balance sheet as to convey a truthful statement as to a company's position. It must not conceal any known cause of weakness in the financial position, or suggest anything which cannot be supported as fairly correct in a business point of view."

By statute every limited banking company, and every insurance company, deposit, provident or benefit society, must, before it commences business, and also on the first Mondays of February and August in each year, make a statement of its capital, liabilities and assets, in a prescribed form. A copy of the same must be posted in a conspicuous place in the registered office of the company, and in every branch or place where the business of the company is carried on.

As to auditors and the balance sheet of a company, see sect. 113 of the Companies (Consolidation) Act, 1908, which is set out in the article, *Auditor*.

BALANCING BOOKS. (Fr. *Établir une balance*, Ger. *Bücherabschluss*, Sp. *Abalanzar los libros*, It. *Bilancio di chiusura o di verificazione.*)

By this term is understood the periodical closing and adjusting of all accounts in the ledger by bankers, merchants and traders, for the purpose of ascertaining the profits or losses made during a certain period.

BALE. (Fr. *Balle, colis*, Ger. *Ballen*, Sp. *Bala, fardo*, It. *Balla, collo.*)

The word bale really means a ball, but it is generally used to indicate a large parcel of merchandise bound up and held together by cordage or iron strips, or wrapped up in canvas, tarpaulin, etc.

BALLAST. (Fr. *Lest*, Ger. *Ballast*, Sp. *Lastre*, It. *Zavorra.*)

This term, which is derived from two Anglo-Saxon words, *bat*, a boat, and *last*, a load, may mean either:—

(1) Heavy matter placed in the hold of a ship to keep it steady when it has no cargo, or when the cargo is of low specific gravity; or

(2) The sand or gravel laid between railway sleepers to give them solidity.

BANCO. (Fr. *Banco*, Ger. *Banko*, Sp. *Banco*, It. *Banco.*)

The literal meaning of this word is a bench or a bank. It is a term used to distinguish the standard money in which a bank keeps its accounts from the current money of the place.

BANCO, SITTING IN. (Fr. *Pleine assise*, Ger. *Kollegialgericht*, Sp. *Reunión en pleno*, It. *Riunione, seduta plenaria.*)

This is the term applied to the judges at the Law Courts when sitting together in a superior court of common law, as distinguished from a judge sitting at Nisi Prius, or on circuit. The principal business of courts in banco is now carried on in the Divisional Courts of the High Court, which consist sometimes of two, and at others of three judges, of the King's Bench Division.

BANK. (Fr. *Banque*, Ger. *Bank*, Sp. *Banco*, It. *Banca.*)

A bank was originally a bench set up in the market-place for the exchange of money. In a commercial sense it is an establishment where money is received on deposit, to be repaid on demand, or otherwise as may be arranged, and where loans are negotiated, bills discounted, and other financial business conducted. Bankers also act as monetary agents for customers not engaged in business, receiving payments from dividends and other sources, and taking charge of valuable property and securities. Some banks are banks of issue, that is, they are empowered, under certain restrictions, to issue notes payable on demand. In many cases, especially with joint-stock banks, a small interest is paid by the bank for deposits of a permanent character, which can be employed to advantage. The deposits, over and above a certain

sum which a banker must have at hand to meet daily claims, are advanced in various ways as loans. The best and safest mode of employing such funds is considered to be in the discounting of good mercantile bills of exchange: that is, bills representing *bona fide* transactions of trade and commerce. A banker sometimes makes advances upon the deposit of exchequer bills or other government securities, railway debentures, bills of lading, dock warrants, and such like. If depositors have the power of demanding the amount of their deposits without notice from the banker, while he usually makes his advances for a fixed or definite period, it is evident that he must always have on hand a considerable sum uninvested, or invested in such a manner, as, for instance, in the public funds, that it can be immediately realised to meet such claims. The amount necessary for this purpose is known as the banking reserve. Sometimes a run is made upon a bank, either from some feeling of distrust in the bank itself, or from the occurrence of a commercial panic, and depositors eagerly desire the return of all their deposits. To prepare for this possibility, there must be a far larger reserve than would in ordinary cases be required; and the surplus over the amount likely to be needed under ordinary circumstances is generally deposited in the Bank of England.

In banks of issue, where the banker is at liberty to issue bank notes to a certain amount, it is evident that the profit derived therefrom is equal to the interest upon the difference between the average amount of notes in circulation and the amount of specie required to be kept to meet them, less the expense of their manufacture. If, however, a banker was obliged to keep dead stock or bullion equal to the amount of his notes in circulation, he would make no profit. But for a banker in good credit, it is considered that a fourth or a fifth part of this sum is usually sufficient.

Besides serving as places for the safe custody of money, and allowing interest on deposits, banks are of great use in affording a safe and rapid means of transference of money from one place to another. A debtor in Edinburgh or Dublin pays to his banker there the sum which he wishes to convey to his creditor in London. The banker, for a small commission, furnishes him with a draft, or letter of credit for the amount on a banker in London, from whom the creditor, on presenting the draft, receives the sum of money. With the increased facilities of transit and means of communication, it is also possible to transmit sums of money through the agency of banks to nearly every part of the world.

The primary division of banks is that just noticed, viz., banks of deposit and banks of issue. Another division, according to their formation, is into joint-stock banks and private banks. Owing to various circumstances, however, private banks are rapidly diminishing in number; and even the number of separate joint-stock banks is on the decline, through the amalgamations which have taken place in recent years. The Bank of England is a peculiar corporation, and differs in many respects from all other banks. (See *Bank of England.*)

In Scotland the system of banking developed more quickly than in England. The Bank of Scotland was instituted in 1695, one year after the foundation of the Bank of England. There are two other banks incorporated by charter—the Royal Bank, in 1727, and the British Linen Company, in 1746—seven joint-stock, but no private banks. It was at one time customary to allow interest on current accounts, but this custom is now practically abolished. Interest is now paid only on fixed deposits for one month and upwards. One pound notes are circulated, as well as notes for any number of pounds without a fraction. These notes, which are issued by a branch Scotch bank, are only payable at the head office.

In Ireland there is the National Bank, established in 1783, with powers somewhat akin to those of the Bank of England, nine joint-stock banks, and two private banks. Of the nine joint-stock banks six are banks of issue. Notes for one pound, and for any exact number of pounds, are in circulation. These notes are payable at the place of issue, as well as at the head office when issued at a branch of the bank. On this account the branches of Irish banks are compelled to keep sufficient gold in hand to meet their own notes.

Banker and Customer.—The relationship between a banker and his customer is simply that of debtor and creditor but by the custom of bankers there is added the additional obligation on the part of the banker of repaying the debt owing when called upon to do so by the draft or order of the customer.

The banker is in no sense a trustee

of the money which he receives from his customer. He has, in fact, bought the money and can use it in any way he pleases, and the customer has only the right to demand back an equivalent sum, either on demand or at a time mutually agreed upon in the case of a deposit. If this were not so, a customer might call upon the banker to account for any profits made by the latter in using the deposit for the purposes of his business.

From the fact that the relationship is merely that of debtor and creditor, it follows that a banker might, if he chose, take advantage of the Statute of Limitations, and refuse to refund any sum which has been deposited with him for six years and never operated upon by the customer. It is, however, the practice of bankers, when funds are lying at their banks which are legally their own money, not to inquire for claimants to the same, but at the same time not to insist on their legal rights under the Statute of Limitations against claimants who make good their claims. It is generally supposed that the "unclaimed balances" held by bankers amount to a very large sum, and various suggestions have been made as to the manner in which they should be utilised for the public benefit. No satisfactory scheme, however, has yet been put forward to meet the case.

The obligation to pay on demand throws a serious liability upon the banker, for if the latter fails to honour a draft of the customer when there is a balance lying at the bank in his favour, whether actually or through arrangements as to an overdraft, the banker is liable in an action for damages for the injury done to the credit of the customer.

A banker may not disclose the state of a customer's account without justifiable cause. What cause is justifiable will depend upon the circumstances of each particular case. But the knowledge of a banker is not privileged, and he may be compelled to give evidence of his knowledge in a court of law. Also the entries in the books of the bank may be called for, though in order to prevent the inconvenience arising from the actual production of the books, certified copies of the entries may be put in evidence, in accordance with the provisions of the Bankers Books Evidence Act, 1879.

The duty and authority of a banker to pay cheques drawn upon him by a customer are otermined by (a countermand of payment, (b) notice of the customer's death, and (c) notice of an available act of bankruptcy.

Plate, jewels, and other valuables are often deposited with a banker for safe custody. This is a case of bailment, and the liability of the banker will depend upon the circumstances under which the articles are deposited, and whether the banker is a gratuitous bailee or a bailee for hire. The articles deposited must be returned to the depositor, and if by any chance the banker delivers the articles placed with him for safe custody to an unauthorised person, he may be liable in an action for damages for conversion. The true extent of the banker's liability has never been accurately determined. Since it is a well-known fact that a banker is a person who has the goods of others in his possession, these goods will not fall within the "order and disposition" clause of the Bankruptcy Act, in case the banker becomes bankrupt. They must be returned to the depositor.

If a banker misappropriates any deposits of a customer, he may be indicted for larceny.

Bankers' Lien.—Lien, which is the right to retain possession of a thing until a claim is satisfied, extends to bankers by the Law Merchant. Therefore a banker has a right to retain all securities deposited in his hands by a customer for his general balance, unless there is a special contract to the contrary. He may also go further, and realise the securities in order to pay himself out of the proceeds, in the same manner as a pawnee.

Bank Manager.—The bank manager is the general agent of the bank, and the bank is responsible for every act done by the manager within the scope of his authority, even for a fraud which is committed in the course of business.

This is so important a point, that the judgment in the leading case of ***Barwick* v. *English Joint - Stock Bank*, 1867,** L.R. 2 Ex. 259, where an action was successfully brought against a bank for damages caused by certain false representations made by the manager to the plaintiff, is worth quoting: "With respect to the question whether a principal is answerable for the act of his agent in the course of his master's business and for his master's benefit, no sensible distinction can be drawn between the case of fraud and the case of any other wrong. The general rule is that the master is answerable for every such wrong of the

servant or agent as is committed in the course of the service and for the master's benefit, though no express command or privity of the master be proved. That principle is acted upon every day in running-down cases. It has been applied also to direct trespass to goods, as in the case of holding the owners of ships liable for the act of masters abroad improperly selling the cargo. It has been held applicable to actions of false imprisonment, in cases where officers of railway companies, entrusted with the execution of by-laws relating to imprisonment and intending to act in the course of their duty, improperly imprison persons who are supposed to come within the terms of the by-laws. It has been acted upon where persons employed by the owners of boats to navigate them and to take fares have committed an infringement of a ferry, or such like wrong. In all these cases, it may be said, as it was here, that the master has not authorised the act. It is true he has not authorised the particular act, but he has put the agent in his place to do that class of acts, and he must be answerable for the manner in which the agent has conducted himself in doing the business which it was the act of his master to place him in."

BANK BILL. (Fr. *Billet de banque*, Ger. *Bankzettel*, Sp. *Billete de banco*, It. *Biglietto bancario*.)

This is a bill of exchange issued or accepted by a bank.

BANK CHARTER. (Fr. *Privilège de la banque*, Ger. *Bankprivilegium*, Sp. *Privilegio de banco*, It. *Privilegio della banca*.)

This is the name given to the special charter of incorporation under which the Bank of England enjoys its peculiar privileges.

BANK HOLIDAYS. (Fr. *Fêtes légales*, Ger. *Bankfeiertage*, Sp. *Fiestas anuales*, It. *Feste legali, vacanze bancarie*.)

By an Act of Parliament passed in 1871, certain days were appointed as holidays. In England and Ireland they are Easter Monday, the Monday in Whitsun week, the first Monday in August, the 26th December (or, alternatively, the 27th December, if the 26th falls on a Sunday), and any other day appointed as such by royal proclamation. In Scotland, the following days are statutory bank holidays: New Year's Day, Christmas Day (or, if either of these falls on a Sunday, the next following Monday), Good Friday, the first Monday in May, and the first Monday in August. Days appointed by royal proclamation as bank holidays apply to Scotland as well as to England and to Ireland.

BANK, JOINT-STOCK. (Fr. *Banque anonyme, banque par actions*, Ger. *Aktienbank*, Sp. *Banco de acciones*, It. *Banca per azioni*.)

A bank in which the capital is subscribed by the shareholders as distinguished from a private bank, in which the capital is provided by the sole proprietor or by the partners.

Every bank which originally consisted of more than six members was called a joint-stock bank, and was founded on the principle of unlimited liability. The oldest of this class are the London and Westminster, founded in 1834, the London Joint-Stock, 1836, the Union, 1839, and the London and County, also 1839. But owing to the restrictions of the Companies Act, 1862, which prohibited the establishment of any banking company, unless registered under the Act, or formed in pursuance of some special Act or of letters patent, consisting of more than ten persons, and the provisions of the Companies Act, 1879, the majority of joint-stock banks have now become registered, and the principle of limited liability applies to them as to joint-stock companies, and the Companies (Consolidation) Act, 1908, is the statutory enactment which governs them.

The limitation of liability of a registered joint-stock bank does not extend to the note issue in the case of banks of issue.

BANK MANAGER. (See *Bank*.)

BANK NOTES. (Fr. *Billets de banque*, Ger. *Banknoten*, Sp. *Billetes de banco*, It. *Biglietti di banca*.)

Bank notes are promissory notes issued by a bank, payable to bearer on demand. They differ from ordinary promissory notes in various respects, the chief being that they may be reissued after payment. But this is not the practice of the Bank of England. Their notes are never reissued, but after payment in are cancelled, kept in safe custody for five years, and then destroyed.

By the Bank Act, 1892, if a Bank of England note has not been presented for payment within forty years of its issue, the Bank is empowered to write off the amount under certain conditions mentioned in the Act.

The privilege of issuing bank notes is exclusively reserved to the Bank of England for the City of London and

within a circle of three miles round, and the monopoly within a sixty-five mile radius is only shared by those banks which enjoyed the right of issuing notes up to 6th May, 1844, and have not since lost their privileges. Bank of England notes are not subject to stamp duty—those of a country banker are, the scale being fixed by the Stamp Act, 1891.

No notes may be issued for a less sum than five pounds in England. (The issue of £1 and 10*s*. Treasury notes in 1914 was occasioned by the outbreak of the Great European War, and sanctioned by a special Act of Parliament. These may become a permanent part of our currency, and now, owing to the increased price of silver, five-shilling notes have been suggested.) In Scotland and Ireland, notes may be issued, by banks of issue, for any number of pounds, from one upwards.

Bank of England notes are legal tender in England for sums above £5, except at the Bank itself or at one of its branches. They are not legal tender in Scotland or Ireland, although they circulate with the utmost freedom. Country notes are not legal tender, and a country banker is not bound to accept his own notes. even in payment to himself. Of course, if he refused to pay them when presented, he could be sued for their amount.

Since bank notes are negotiable instruments, the finder of a lost note is entitled to retain it against the whole world, except the rightful owner, and any one who takes such a note from the finder *bonâ fide* and for value can retain it even against the lawful owner. The same thing applies to a note which has been stolen and afterwards negotiated, provided the holder has taken it in good faith and given value for it. There is not much efficacy in the so-called "stopping the payment" of bank notes. If notice is given to a bank that notes have been lost or stolen, it may be possible to trace the channels through which they have passed since they were last in the possession of the rightful owner, but a *bonâ fide* holder is in no way prejudiced or liable to restore them.

Bank notes are often cut into halves and remitted by post under different covers. The halves must be pasted together before being presented for payment. This mutilation does not affect the negotiability of the notes, whereas a banker would refuse payment of a cheque or a bill which had been cut or torn and then pasted together again.

BANK OF DEPOSIT. (Fr. *Banque de dépôt et consignation*, Ger. *Depositenbank*, Sp. *Banco de depósito*, It. *Banca di deposito*.)

A bank of deposit receives money, at an agreed rate of interest, on condition that a certain prescribed notice shall be given previous to withdrawal of the same. By this plan, the necessity of keeping a large sum on hand, earning no interest, is avoided; there is no necessity to prepare for a sudden emergency; and the capital can be invested in securities paying a higher rate of interest than is given by the public funds or other securities which can be immediately realised.

BANK OF ENGLAND. (Fr. *Banque d'Angleterre*, Ger. *Bank von England*, Sp. *Banco de Inglaterra*, It. *Banca d' Inghilterra*.)

The Bank of England, which is the largest and most important banking establishment in the world, was projected by William Paterson, a Scotsman, and it received its charter of incorporation in the year 1694. It was constituted as a joint-stock company with a capital of £1,200,000, that sum being lent at interest to the Government of the day.

According to its charter, the management of the Bank of England is committed to a governor, deputy governor, and twenty-four directors, elected by the stockholders. At first the charter of the bank was for eleven years only; but in consequence of the great services it has rendered to the Government at various times, its charter has been renewed again and again, the last time being under the Bank Charter Act, 1844. The original capital of £1,200,000 was gradually augmented until, in the year 1816, it reached the sum of £14,553,000, upon which the stockholders draw dividends, and at this sum it still remains. The profits of the bank arise out of traffic in bullion, discounting bills, interest on loans, allowances for managing the public debt, and so on.

The bank has, besides, at different times, paid other dividends, under the name of bonuses. A bonus is a sum of money derived from the division of a fund which has been allowed to accumulate or to remain for use in case of emergency. The emergency having passed, the fund has been divided, and such bonuses of the Bank of England have varied from five to ten per cent.

The Bank of England differs from any other bank in this country, inasmuch as it is the banking house of the

Government. All the money drawn in the form of taxes or otherwise for the public service is consigned to the bank, while all drafts for the public service are likewise made on it.

A special advantage conferred on the Bank of England is the privilege of being the only bank in London, or within sixty-five miles of it—subject to a slight exception—which may issue notes payable to bearer on demand, its notes being a legal tender by any one except itself for sums of upwards of £5.

BANK OF ISSUE. (Fr. *Banque de circulation*, Ger. *Notenbank*, Sp. *Banco de emisión*, It. *Banca di emissione*.)

A bank of issue is one which issues its own notes payable to bearer on demand. The Bank of England has a monopoly in the issue of notes in London and within a circle of three miles round. Beyond three miles and within sixty-five miles, the monopoly is shared with banks established before 1844. After the sixty-five mile limit, the monopoly is shared with all banks established before 1844, which have not since lost their privileges.

Shareholders in a bank of issue are liable for the amount of notes outstanding, in case of the insolvency of the bank, although the bank itself may have been registered with limited liability under the Companies Acts.

BANK POST BILLS. (Fr. *Mandats de Banque*, Ger. *Bankanweisungen*, Sp *Giros al portador*, It. *Vaglia bancari a termine*.)

These are bills which can be obtained at the Bank of England and any of its branches, free of charge for any sum of money, between £10 and £1,000, payable to order, upon depositing the sum for which the bill is required. Such bills are payable seven days or sixty days after sight, and are not subject to days of grace.

The following is the form of such a bill :—

"BANK OF ENGLAND POST BILL.
No ———

London, January 1, 1916.

At seven days' sight I promise to pay this my Sole Bill of Exchange to Samuel Johnson, or order, one hundred pounds sterling, value received of Thomas Robinson.

For the Governor and Company of the Bank of England,

£One Hundred. A.—— B.—."

The seven days' interest for the use of the money is accepted by the Bank as sufficient remuneration for their part in the transaction.

These bills originated in 1738 in consequence of the frequent robberies of the mail, the object being that in case the mail was robbed the owner of the bill might have time to give notice of the robbery, and prevent payment being made to an unauthorised person.

BANK, PRIVATE. (Fr. *Banque privée*, Ger. *Privatbank*, Sp. *Banco privado*, It. *Banca privata*.)

A private bank is one carried on by an individual, or by a number of persons not exceeding ten in number. When the bank is carried on by more than one person, it is simply an ordinary partnership. The law of partnership applies in case of insolvency, and each partner is liable to the creditors of the bank to the full extent of his property. Owing to the large amount of capital required for banking purposes, no private bank has been established for many years.

BANK RATE. (Fr. *Agio de banque*, Ger. *Bankdiskont*, Sp. *Tipo bancario*, It. *Aggio bancario, tasso della banca*.)

The bank rate is the price at which the Bank of England expresses its willingness to grant loans, or to discount bills of exchange. The rate is fixed at the weekly meeting of the directors of the Bank, held each Thursday.

Periodical financial conditions of the money market will cause the rate to vary from time to time, but the main reason for the variation is the supply of, and demand for, gold. Gold will always tend to go in the direction where it can be most profitably employed, and it is of the utmost importance for the Bank to take care that its reserve stock of gold and bullion is not too far reduced, seeing that it is upon that reserve that our whole commercial system practically depends.

BANK RETURN. (Fr. *État de banque*, Ger. *Bankausweis*, Sp. *Estado del banco*, It. *Bollettino della banca*.)

This is the weekly report issued by the Bank of England, every Thursday afternoon, showing the financial condition of the Bank. The form and the details of the report are prescribed by the Bank Charter Act of 1844. In the return are shown the amount of notes in circulation, the stock and bullion in reserve, and such other matters as enable city men to judge of the state of the money market and of its probable tendency.

The following is a copy of the return for the week ending Wednesday, June 23, 1909 :—

Issue Department.

Dr.	£
Notes issued . . .	57,706,245
Cr.	
Government debt . .	11,015,100
Other securities . .	7,434,900
Gold coin and bullion .	39,256,245
	£57,706,245

Dr. *Banking Department.*	£
Proprietors' capital .	14,553,000
Rest	3,107,086
Public deposits . . .	13,409,696
Other deposits . . .	44,890,022
Seven-day and other bills	47,660
	£76,007,464
Cr.	£
Government securities .	15,368,812
Other securities . .	30,707,163
Notes unemployed . .	28,328,680
Gold and silver coin . .	1,602,809
	£76,007,464

The first item mentioned in the return, notes issued, means the amount of Bank of England notes circulating in the country, or held in reserve by different banks.

The Government debt is the amount owing to the Bank of England by the Government. It was originally £1,200,000, the first capital of the bank, when it was established in 1694. It has stood at its present total, £11,015,100, since 1816.

"Other securities" are the interest bearing investments, selected by the directors. These vary in value from time to time.

The gold coin and bullion item sufficiently explains itself.

In the banking department the proprietors' capital is the same as what is known as the share capital in joint-stock banks. It has remained invariable since 1816.

The "rest" is the reserve kept by the bank for the payment of dividends to the proprietors. It is always maintained at a total exceeding three millions, and the excess over that sum is the amount paid half-yearly in dividends.

Under the head of public deposits are included the moneys paid in on account of the Exchequer, the Savings Banks, the Commissioners of the National Debt, the Paymaster-General, etc. The Bank of England being the banking house of the nation, all national revenues are paid in by the various collectors as soon as they are received.

The item "other deposits" includes all other sums paid into the bank by various Government offices, the deposits of different banks, and the ordinary banking accounts of individuals.

Seven-day and other bills are known as bank post bills. They represent the money paid into the bank for bills which have been issued.

"Government securities" consist of consols, exchequer bills, treasury bonds and other securities for the due payment of which the Government is responsible. The taxes are a pledge for the fulfilment of the obligation created.

"Other securities" are the investments, etc., made at the discretion of the directors.

The notes are those Bank of England notes which are obtained from the Issue Department, and for which gold coin and bullion are exchanged.

BANK STOCK. (Fr. *Actions de banque*, Ger. *Bankaktien*, Sp. *Acciónes de banco*, It. *Azioni bancarie.*)

This is the capital of the banking department of the Bank of England. When the bank was established in 1694, the amount of its capital was £1,200,000, but it has gradually increased, and since 1816 it has stood at the sum of £14,553,000. Any amount of bank stock may be purchased, provided it does not involve the fraction of a penny.

BANKER. (Fr. *Banquier*, Ger. *Bankier*, Sp. *Banquero*, It. *Banchiero.*)

A banker is a person employed in the business of banking.

The general duties of a banker, his mode of transacting business, and his relationship to the customers of the bank are given under *Bank.*

For the consideration and discussion of matters of interest to bankers, and for the purpose of affording opportunities for the acquisition of a knowledge of the theory of banking, the Institute of Bankers was founded in 1879. Papers on banking and financial subjects generally are read from time to time, and discussions take place before the Institute, whose official publication is the *Journal of the Institute of Bankers.* There is an annual examination for the certificate of the Institute, which attracts a large number of candidates. The offices are situated at 34, Clement's Lane, Lombard Street, E.C.

BANKERS BOOKS EVIDENCE ACT, 1879. (See *Pass Book.*)

BANKERS' CHEQUES. (Fr. *Chèques*, Ger. *Bankierchecks*, Sp. *Talones bancarios*, It. *Tratte dei banchieri.*)

These are cheques issued by one

banker upon another, as an easy means for the transmission of money.

BANKERS CLEARING HOUSE. (See *Clearing House.*)

BANKER'S LIEN. (See *Bank.*)

BANKING. (Fr. *Banque*, Ger. *Bankiergeschäfte*, Sp. *Banca*, It. *Sistema bancario.*)

Banking is the business of a banker, such as lending money, receiving deposits, issuing notes, and discounting bills. (See *Bank.*)

BANKING HOURS. (Fr. *Heures de la banque*, Ger. *Bankstunden*, Sp. *Horas bancarias*, It. *Ore di banca.*)

These are the hours during which banking business is transacted. The usual time is between 10 a.m. and 4 p.m., with a half-holiday on one day in the week. But in recent years many London banks have opened at 9 a.m.; and on and after the 1st December, 1915, the closing hour was fixed at 3 p.m. The banking hours are naturally very limited in small towns and villages, and the banks in such places give a clear notification of the days and hours during which business is carried on.

BANKRUPT. (Fr. *Failli*, Ger. *Bankrottierer*, Sp. *Quebrado*, It. *Fallito.*)

In colloquial language, a bankrupt is a person who is unable to pay his just debts. Legally, he is a person who has been adjudicated a bankrupt by the Court of Bankruptcy.

BANKRUPTCY. (Fr. *Faillite*, Ger. *Bankrott*, Sp. *Quiebra*, It. *Fallimento.*)

By bankruptcy is meant the state of being, or the act of becoming, a bankrupt.

The modern law of bankruptcy is based upon the principle that if a person becomes hopelessly involved in difficulties, and is unlikely to be able to meet his obligations at any time, some effort should be made to extricate him from that position. This is accomplished by dividing the debtor's property equitably among his creditors, and releasing him, under certain conditions, from all future liability as to his past debts and obligations. When his discharge has been obtained, a bankrupt may not, except on a new consideration, make a binding promise to pay any debts contracted by him prior to his bankruptcy and from which bankruptcy legislation has released him.

The first statute relating to bankruptcy was passed in the reign of Henry VIII, and since that time various other statutes have been passed to alter and amend the law relating to the subject. The greatest change in modern times, however, was made by the Bankruptcy Act, 1883, which, with various amending Acts, remained in force until the passing of the Bankruptcy Act, 1914. This last-mentioned Act is now the ruling statute, but it has to be borne in mind that, although it professes to consolidate the law upon the subject of bankruptcy, certain sections of the older Acts are still unrepealed and must be referred to for particular points.

The courts which administer the law of bankruptcy are the High Court for bankruptcies within the metropolitan district, and the various county courts, if they have had jurisdiction conferred upon them, for bankruptcies within the area of their divisions. A special judge is appointed for the bankruptcy work in London, and he is assisted by officials who are called registrars in bankruptcy. The Board of Trade is also entrusted with very important powers and duties in connection with bankruptcy proceedings.

In considering where proceedings should be commenced, the residence or the place of business of the debtor is a most important factor. If he has resided or carried on business within the metropolitan district for a longer period during the preceding six months than anywhere else, or if he is resident abroad, or if his place of residence is unknown, the High Court is the proper place in which to present the petition. Otherwise the county court of the district in which he has resided or carried on business for the longest period during the said six months must be selected.

Who may be made Bankrupt.—As a rule any person who has the capacity to contract may be made bankrupt. It is doubtful whether an infant can be made bankrupt at all, the better opinion being that he cannot. If an infant is a member of a partnership firm which is made bankrupt, the infant will be excluded from the proceedings in bankruptcy. But the whole of the partnership assets will be available for the partnership debts. The infant's separate estate, however, will not be touched. A married woman is now liable to be made bankrupt, as far as her separate estate is concerned, if she is carrying on a trade, whether separately from her husband or not, as though she was a *feme sole*; and if she is made a bankrupt, her separate estate, even though there is a restraint on anticipation, may be taken possession of in respect of her indebtedness. When a final judgment

or order for any amount is obtained against a married woman, whether it is or is not expressed that the amount is to be payable out of her separate property, the judgment or order is available for bankruptcy proceedings by bankruptcy notice. Unless, however, she is engaged in trade, a married woman cannot be made bankrupt at all. A lunatic, so found by inquisition, can be made bankrupt if the act upon which the petition is founded was committed during a lucid interval, or if his committee (that is, the person who has charge of the lunatic's estate), or the court consents to such a course being taken. A convict may be adjudicated a bankrupt, even after conviction.

Aliens are subject to the bankruptcy laws as well as British subjects. But in order that a petition may be presented against an alien, it must be shown :—

(*a*) That he is domiciled in England, or

(*b*) That he has ordinarily resided, or had a dwelling-house or place of business, in England within a year of the presentation of the petition. It was held, however, by the House of Lords, in the case of *Cooke* v. *Vogeler & Co.* 1901, A.C. 102, that there was no jurisdiction to make a receiving order against a foreigner resident abroad who, without coming into the jurisdiction, had in this country had a place of business, contracted debts, and acquired assets, and had executed abroad an assignment of his property for the benefit of his creditors. This decision, however, has been altered by the provisions of the Bankruptcy Act, 1914; and now an alien is subject to the English bankruptcy jurisdiction if he has traded in this country by himself or through an agent, or if he is a member of a firm carrying on business in England, whether he has been here or not.

A joint-stock company cannot be made bankrupt; it must be wound up, and the same remark applies to a partnership registered under the Companies (Consolidation) Act, 1908. Although a dead man cannot be made bankrupt, his estate may be administered in bankruptcy.

The Petition.—In order that proceedings in bankruptcy may be taken against a person, it is necessary that a petition should be presented to the proper court, either by the debtor himself or by a creditor, and that a receiving order should be made upon the petition. This cannot be done unless an act of bankruptcy has been committed, that is, unless the debtor has been guilty of some act or default which is deemed to be evidence of his insolvency. The various acts of bankruptcy are set out in the Bankruptcy Act, 1914. (See *Act of Bankruptcy.*) In addition to the petition of the debtor or a creditor, the court may, upon an application for the committal of a judgment debtor, make a receiving order against him instead of committing him.

In order that a creditor may petition the following conditions must be fulfilled :—

(1) The debt owing by the debtor to the petitioning creditor (or to two or more creditors if the petition is presented jointly) must amount to £50 at least.

(2) The debt must be an ascertained or liquidated sum, payable immediately or at some future certain date.

(3) The act of bankruptcy relied on must have been committed within three months previous to the presentation of the petition.

(4) The debtor must be a person who is liable to be made a bankrupt by the law of England.

If the debtor is the petitioner, the court will generally make a receiving order at once. But this is not always the case. In the case of *In re Betts*, 1901, 2 K.B. 39, it appeared that the debtor, with the intention of evading committal orders made against him upon judgment summonses, presented a bankruptcy petition against himself, upon which a receiving order was made. He had previously at short intervals and with the same object presented two other bankruptcy petitions upon which receiving orders had been made, and was an undischarged bankrupt under three bankruptcies. It was held that the presentation of the petition by the debtor under such circumstances was an abuse of the process of the court, and that no receiving order ought to be made.

If the petition is presented by a creditor, an affidavit must be filed verifying the facts contained in the petition, a copy of the petition must be served on the debtor, and then the petition will be heard after an interval of not less than eight days from the date of the service. On the hearing the court will make a receiving order or dismiss the petition as it thinks fit.

Whoever presents the petition must pay the stamp duty of £5, and make the

deposit required by the bankruptcy rules. This is in order to cover the necessary expenses. If no such deposit was required, the court would be flooded with debtors' petitions.

The Receiving Order.—When the court is satisfied with the proof of the facts alleged in the petition, and the debtor is unable to urge any valid reason why the petition should be dismissed, it will make a receiving order against him. The order is served upon the debtor and advertised in the *Gazette*.

The effect of the order is to make the Official Receiver, who is a public officer appointed by the Board of Trade, the receiver of the property of the debtor. It deprives the creditors of all remedies, except in the bankruptcy, against the property or person of the debtor, unless they are secured creditors, or their debts are not provable in bankruptcy. The court has, moreover, power to stay all proceedings in any action which may be pending at the date of the petition.

After the making of a receiving order, the court may, from time to time, for any period not exceeding three months, order that the letters, telegrams, and other postal packets addressed to the debtor shall be re-directed and delivered through the Post Office to the Official Receiver, or to the trustee of the debtor's estate, or otherwise as the court itself may direct.

Statement of Affairs.—The debtor must deliver a statement of his affairs to the Official Receiver. It must be in a prescribed form. It must be prepared and delivered within three days from the date of the receiving order, if the receiving order is made on the petition of the debtor, and within seven days of the date of the receiving order, if the petition has been presented by a creditor. For the purpose of making the statement as clear and full as possible, the Official Receiver may require and compel the personal attendance of the debtor.

Meetings of Creditors.—The making of a receiving order must be carefully distinguished from an adjudication of bankruptcy. Whether this course is to be adopted or not will be decided at one of the meetings of the creditors. In many cases there is but one meeting, and this, the first of a series if there are several, must be held, as a rule, within fourteen days after the date of the receiving order. The principal matter for consideration will be the statement of affairs presented by the debtor, a summary of which, together with any observations upon it made by the Official Receiver, will have been supplied previously to each of the creditors. The debtor must be present, unless good cause is shown to the contrary, at the first meeting at least.

The creditors who are entitled to take part in the proceedings are those who have proved their debts, that is, satisfied the Official Receiver that they have *bonâ fide* legal claims against the estate of the debtor. They may take part either personally or by proxy. (See *Proof of Debts.*)

Three courses are open to the creditors :—

(1) They may agree to accept a composition in satisfaction of their debts. This is always advisable when there is nothing suspicious in the conduct of the debtor, as it saves all the costs of the bankruptcy proceedings.

(2) They may agree to a scheme for the arrangement of the affairs of the debtor. The acceptance or rejection of any such scheme as may be offered by the debtor will depend upon the special circumstances of each case.

(3) They may resolve that the debtor shall be adjudged a bankrupt.

A resolution for the adoption of the first or second course must be carried by a majority in number and a three-fourths majority in value of the creditors present who have proved their debts. A bare majority in value is sufficient to carry out the third course. In each case the consent of the court must be obtained, and if the composition or the scheme of arrangement is accepted and approved the receiving order is rescinded. (See *Deed of Arrangement.*)

In addition to the resolution of the creditors that a debtor shall be adjudged a bankrupt, there are other reasons which will induce the court to pronounce an adjudication, viz. :—

(*a*) If the creditors at their meeting pass no resolution.

(*b*) If the creditors hold no meeting at all.

(*c*) If the composition or scheme of arrangement falls through.

(*d*) If the debtor has absconded and failed to give a proper account of his affairs.

Notice of the adjudication of bankruptcy must be duly advertised in the *Gazette*.

Public Examination.—This is an ordeal through which every debtor must go,

unless the receiving order made against him has been rescinded, or unless he is suffering from such mental or physical affliction or disability as to make him unfit, in the opinion of the court, to attend. The date is fixed by the Official Receiver as soon as possible after the debtor has delivered his statement of affairs. The examination is held in open court, and the evidence is taken on oath. Any questions may be put to the debtor by the Official Receiver as to his conduct, his dealings and his property, and the same privilege is granted to any creditor who has proved his debt. Notes of the examination are taken down in writing, are read over to and signed by the debtor, and may thereafter be used in evidence against him, that is, if criminal proceedings are instituted against the bankrupt by reason of his conduct in the management and disposal of his property. The examination may be adjourned, and cannot be declared closed until after the first meeting of the creditors, or the time appointed for the same if the creditors do not, in fact, meet.

The Trustee.—The Official Receiver acts for the protection of the property of the debtor, being in the position of a receiver (*q.v.*), until a trustee is appointed, or acting in that capacity during any interval when there is no trustee. The trustee is generally appointed by the creditors, subject to the approval of the Board of Trade. Sometimes the creditors first of all appoint a committee of inspection (*q.v.*), consisting of from three to five members, and the selection of the trustee is left in their hands. In any case, the trustee must give satisfactory security for the due performance of his duties. As soon as the appointment is made, the whole of the debtor's property passes from the Official Receiver, and vests in the trustee. This is by operation of law. No actual transfer is necessary.

The duties of the trustee are given under the head of Trustee in Bankruptcy.

Realisation of the Debtor's Property.—The property which is available to the trustee for the payment of the debts of the bankrupt consists of:—

(1) His movable property, wherever situated. The only deductions allowed are the tools of the bankrupt's trade, and the wearing apparel and bedding of himself, his wife and his children, to the value of £20.

(2) His immovable property, that is, land and leaseholds, situated within the jurisdiction. That situated elsewhere will not pass to the trustee until a conveyance has been made to him by the bankrupt acting, if necessary, under the order of the court.

(3) Goods belonging to other persons which are, at the commencement of the bankruptcy, in the possession, order, or disposition of the bankrupt. But in order that they may be taken it must be shown that the goods are held in possession in the course of trade or business, with the consent of the true owner, and under such circumstances as to lead to the inference that the bankrupt is the reputed owner. (See *Reputed Ownership.*)

The title of the trustee dates back to the commencement of the bankruptcy and continues until the discharge is granted. And for the purposes of the Act the bankruptcy is held to have commenced at the time of the commission of the act of bankruptcy upon which the petition was founded, and if there are more acts than one then at the time of the commission of the first of such acts within three months of the presentation of the petition.

Certain transactions, however, are "protected." Thus, *bonâ fide* payments to creditors, and conveyances for valuable consideration, made prior to the receiving order, are perfectly valid, and a *bonâ fide* conveyance for value, during the continuance of the bankruptcy, of any property which has been acquired by the bankrupt, is also valid, unless the trustee has previously intervened. Formerly this rule as to the validity of a conveyance of property during the continuance of a bankruptcy was only applicable in the case of personal property. The purchaser got no valid title when the property conveyed was real estate. This was known as the rule in *Cohen* v. *Mitchell*, 1890, 25 Q.B.D. 262. Under the new bankruptcy law, there is now no distinction between real and personal property conveyed by an undischarged bankrupt *bonâ fide* and for valuable consideration. The purchaser gets a good title in each case. Again, the personal earnings of a bankrupt, so far as they are required for the maintenance of himself, his wife, and his family, are safe from the hands of the trustee, as well as any right of action to recover damages for a tort, which affects the bankrupt personally and not his estate. But if the debtor is in the enjoyment of an official salary or

pension, the court may order a portion of the same to be set aside for the benefit of the creditors. If the bankrupt is a beneficed clergyman, the trustee in bankruptcy may apply for a sequestration order; and if this is granted, the profits of the benefice will be devoted to the payment of the bankrupt's debts, the debtor being allowed a stipend out of the same equal to that which might have been paid to a curate duly licensed to serve the benefice in case the bankrupt had been non-resident.

If the bankrupt has a "power of appointment," that is, a right to direct the disposal of any property given to him under any will or settlement, and the power is exercisable by him in his own favour, the court will compel him to exercise the power, and the trustee will take the benefit. But the trustee can make no claim upon property which the bankrupt holds in trust for others, nor upon property which has been settled upon the bankrupt by another person—but not by himself—with a proviso that the same shall pass over to others in case of bankruptcy. It would be contrary to public policy for a man or a woman to be allowed to tie up his or her own property and then to rush into extravagance without the creditors having any opportunity of obtaining payment of their debts.

Invalid Assignments of Property.—In addition to the property which devolves upon a trustee, in accordance with what has just been stated, it may happen that the trustee will be entitled to other property of which the bankrupt has made assignments within a period which renders such assignments invalid. It has been already stated that fraudulent preferences made within three months of the date of the receiving order are liable to be set aside. But there are other transactions which may be declared invalid though dating much further back. The principal of these are voluntary settlements. A voluntary settlement is one which is made in consideration of natural love and affection; and, although such a consideration is designated "good" in law, it is not "valuable." Settlements made for a valuable consideration, which includes marriage, cannot be set aside except on the ground of fraud. The voluntary settlements affected by the bankruptcy law are (1) those made within two years; (2) those made within ten years of the bankruptcy. The first are absolutely void against the trustee; and so are the second, unless it is shown that at the time of making the settlement the bankrupt was perfectly solvent without taking into consideration the property included in the settlement.

An illustration will make this clearer. A. is entitled to, or owns, certain property. If at any time he parts with the same to a *bonâ fide* purchaser, or makes a settlement of it in favour of another person from whom he receives what is equivalent to a valuable consideration—something which is not illusory or a cloak for fraud– the settlement is good, and the trustee in bankruptcy has no claim upon the property. The same rule holds good if the settlement is made before, and in consideration of marriage. But if, for example, after marriage A. settles his property upon his wife, without taking any value for it, the settlement is absolutely void if it is made within two years of the commencement of bankruptcy proceedings against him, and it is also void if made within ten years, unless A. can clearly prove that at the time he made the settlement his remaining property was sufficient to meet the whole of his existing liabilities. By the new bankruptcy law, protection is extended in the case of property settled upon a wife or children after marriage, if the property has accrued to the settlor after marriage in right of his wife.

An invalid assignment cannot be set aside if the property has been transferred by the assignee to a third person for a valuable consideration.

If a creditor has issued execution against the property of the debtor, he cannot retain the benefit of his execution if a receiving order is made before the execution is completed, or while the money realised by the sale of the debtor's goods still remains in the hands of the sheriff.

The above are the principal points to be borne in mind as to invalid assignments of property. For further details, sects. 42–44 of the Bankruptcy Act, 1914, must be consulted.

Disclaimer.—Some of the property of the debtor may be saddled with considerable burdens, and the retention of it would diminish, rather than increase, the total amount of money realisable for distribution amongst the creditors. The trustee is entitled in such a case within certain limits and with proper permission, to disclaim the property. The disclaimer relieves the

trustee from all responsibility with respect to it. (See *Disclaimer.*)

Secured Creditors.—A creditor who holds a mortgage, charge, or lien upon any of the property of the bankrupt is said to be "secured." If the security is of a valuable character, it is the best course for the secured creditor to take no steps whatever in the bankruptcy proceedings on his own initiative. He is certain to get his money in any event. The trustee cannot interfere with his security, unless he is willing to pay its estimated value together with an addition of twenty per cent. of such value. But if for any reason it is not considered advisable to stand by quietly, the secured creditor has various courses open to him. He may give up his security and prove in the bankruptcy for the whole of his debt, or he may realise his security, and, if it is insufficient to meet his claim, prove for the difference, or he may assess the value of his security and prove for the deficiency. At a meeting of the creditors, if the second course has been adopted, the secured creditor can only vote in respect of any balance due to him, and not on account of his whole debt. The creditors who are not protected by securities are called "unsecured creditors."

The question of proving their debts by creditors is fully dealt with in the article entitled *Proof in Bankruptcy.*

Distribution of Property.—When the trustee has realised the whole or a substantial portion of the debtor's property, it is his duty to divide the same rateably among the creditors who have proved their debts, after making certain deductions for expenses and preferential claims.

The first of these preferential claims are the expenses connected with the bankruptcy proceedings. They must be paid in full if the assets are sufficient to meet them.

The next are the claims governed by the Preferential Payments in Bankruptcy Act, 1888, the terms of which, although now repealed, have been reenacted and enlarged by the Bankruptcy Act, 1914. They are, (*a*) all rates and taxes due and payable within the twelve months prior to the commencement of the bankruptcy, not exceeding in the whole one year's assessment; and (*b*) the wages and salaries of clerks and workmen employed by the bankrupt, limited, in the case of a clerk, to services rendered during the preceding four months and not exceeding £50, and in the case of a workman to two months' service and £25. If the bankrupt is a beneficed clergyman, a curate has a preferential claim to the extent of four months' stipend, not exceeding £50. Under the Workmen's Compensation Act, 1906, any award made under that Act before the date of the receiving order is a preferential claim also to the extent of a sum not exceeding £100. Again, all contributions payable under the National Insurance Act, 1911, by the bankrupt, in respect of employed contributors or workmen in an insured trade during four months before the date of the receiving order, must be preferentially provided for. How the claim of an apprentice is met in the case of the bankruptcy of the master is set out in the article *Apprentice.* By the Friendly Societies Act, 1896, a registered society has a preferential right as regards any claim for money which has come into the hands of any of its officers, if they become bankrupt.

The position of the landlord of the bankrupt is peculiar. If he distrains—and he has no preferential claim unless he does so—within three months of the receiving order, he must pay the preferential creditors out of the proceeds of the distress, and if he suffers any loss he becomes a preferential creditor to the extent of that loss. As against other creditors he can distrain for the whole rent due to him. But if he distrains after the commencement of the bankruptcy he can only do so as to six months' rent accrued due prior to the date of the order of adjudication. He is in the position of an ordinary creditor as to any balance.

The residue of the property, if any, in the hands of the trustee is payable to the creditors in proportion to their debts. It has been said that a creditor must prove his debt before he is entitled to any dividend. The trustee must be satisfied that the debt is one which is legal and ought to be admitted. If any dispute arises as to the admission or rejection of a debt there is a right of appeal to the court.

Small Bankruptcies.—When it is clear that the value of the estate of the debtor is less than £300, the court may order it to be summarily administered. The Official Receiver acts as trustee throughout, and the proceedings are modified in several respects. Expedition and a saving of expense are thus attained. If again it appears that the whole indebtedness of a person is not more than £50, the court may make an administration

order — bankruptcy proceedings not being possible—and compel the debtor to pay the whole or a portion of his debts, either at once or by instalments.

Discharge of Bankrupt.—A bankrupt may apply to the court for an order of discharge any time after being adjudged bankrupt. In considering the application, the court will take into account the whole of the facts laid before it, and especially the report of the Official Receiver as to the conduct of the bankrupt and the manner in which he has managed his affairs. It may then refuse an order of discharge absolutely, grant it subject to certain conditions or after a fixed time, or, unless there are statutory reasons to the contrary, grant it immediately.

The court must refuse the order of discharge if the debtor has committed any criminal offence against the bankruptcy laws. (See *Debtors Act*, 1869.) And it must also refuse the order, or suspend it for at least two years, or suspend it until the bankrupt has paid a dividend of 10*s*. in the £, or grant it subject to the debtor's consenting to judgment being entered up against him for any part of his unpaid provable debts, in the following cases:—

(*a*) When the assets are insufficient to pay a dividend of 10*s*. in the £ to the unsecured creditors, unless this is due to circumstances for which the debtor cannot be held responsible. This period of two years' suspension may be reduced, if the only offence alleged against the bankrupt is his inability to pay 10*s*. in the pound.

(*b*) When proper books of account have not been kept during the three years preceding the bankruptcy.

(*c*) When the bankrupt has continued to trade after knowing that he was insolvent.

(*d*) When debts have been contracted with no reasonable prospect of an ability to pay them.

(*e*) When a loss or a deficiency of assets has not been satisfactorily accounted for.

(*f*) When the insolvency has been brought about by rash and hazardous speculation, unjustifiable extravagance in living, gambling, or culpable neglect of business.

(*g*) When a creditor has been put to unnecessary expense by a frivolous and vexatious defence to an action properly brought against the bankrupt.

(*h*) When the bankrupt has within three months preceding the date of the receiving order incurred unjustifiable expense by bringing a frivolous or vexatious action.

(*i*) When the bankrupt, being unable to pay his debts, has given an undue preference to any creditor within three months of the date of the receiving order.

(*j*) When the bankrupt has within three months preceding the date of the receiving order incurred liabilities with a view of making his assets equal to 10*s*. in the £ on the amount of his unsecured liabilities.

(*k*) When there have been previous bankruptcy proceedings against the debtor, or when he has previously made a composition with his creditors.

(*l*) When the bankrupt has been guilty of any fraud or fraudulent breach of trust.

So long as he remains undischarged, a bankrupt suffers from a considerable number of disabilities. He cannot

(1) Sit or vote in the House of Lords, or any committee thereof, or be elected as a Scotch or Irish representative peer;

(2) Be elected to, or sit or vote in, the House of Commons;

(3) Be appointed, or act as, a justice of the peace;

(4) Be elected, or hold the office of mayor, alderman, or councillor;

(5) Be elected, or sit as, a guardian of the poor, overseer, member of a school board, highway board, or burial board;

(6) Be elected, or sit as, a county councillor.

If a person is adjudicated a bankrupt whilst holding any of the last three positions, the office will at once become vacant. The disqualification lasts for five years from the date of the discharge. If the adjudication is annulled the disqualification ceases at once, and it also ceases at once if the debtor obtains his discharge with a certificate to the effect that the bankruptcy was caused by misfortune, without any misconduct on his part.

It is an offence, punishable with one year's imprisonment, for an undischarged bankrupt to obtain credit, either alone or jointly, to the extent of £10 from any person without informing such person of the fact that he is an undischarged bankrupt. To constitute this offence, it is not necessary to prove an intent to defraud on the part of the debtor. Also it is a criminal offence if an undischarged bankrupt attempts to trade in any name other than that in which he was adjudicated a bankrupt,

without disclosing the fact to his new creditors.

One of the reasons for the suspension of the discharge is the chance that the bankrupt may become entitled to property in the meantime, which property will pass to the trustee and be divisible among the creditors. As soon, however, as the discharge takes effect the debtor is released from all debts provable in bankruptcy except:—

(1) Debts due to the Crown;

(2) Debts incurred through fraud, or through a fraudulent breach of trust;

(3) Judgment debts in an action for seduction, in affiliation proceedings, or in a matrimonial cause.

If an order of discharge is made to take effect after a certain period, no further application to the court is necessary. As soon as the time fixed has elapsed the discharge is complete.

Annulment of Adjudication.—If a debtor makes an arrangement with his creditors after the adjudication, or if he pays his debts in full, the court will annul the adjudication, and the debtor will be placed in the same position in which he would have been if no bankruptcy proceedings had been taken.

Private Arrangements.—These are often made between the debtor and his creditors in order to save the trouble, expense, and publicity of bankruptcy proceedings. The usual method is for an assignment of the property of the debtor to be made to a trustee or to trustees, and in consideration of the assignment the debtor is discharged from all claims which his creditors have against him. The property is realised and a dividend is paid to the creditors. Registration of the assignment is necessary. It is important that all the creditors should join in the assignment, for only those who are parties to it are bound by it. If one creditor objects, and his debt amounts to £50 or upwards, he can present a petition in bankruptcy, since the assignment is an act of bankruptcy. If bankruptcy proceedings ensue, the arrangement is of no effect. (See *Deed of Arrangement.*)

Under the new Bankruptcy Act, 1914, there are numerous provisions relating to many matters which are of particular importance to practising lawyers, but which do not always concern the ordinary laymen. However, it may be stated that a bankrupt will, in future, be in a very delicate and difficult position if he has brought on his insolvency by gambling or hazardous speculation, if he has committed certain offences within six months of the date of his adjudication, especially in the shape of destruction of books, etc., connected with his affairs, and if, having previously been made a bankrupt, he has failed to keep an accurate account of his dealings for the two years prior to his later bankruptcy. For a detailed account of those offences, see sects. 154–160 of the Act.

BARGAIN. (Fr. *Marché, contrat,* Ger. *Geschaft,* Sp. *Negocio,* It. *Affare, negozio.*)

This term may mean:—

(1) A contract or agreement concerning the sale of anything;

(2) Any agreement or stipulation;

(3) A purchase made on favourable terms.

It is derived from the French *barguigner,* to haggle.

BARGAIN AND SALE. (Fr. *Marché, cession,* Ger. *Cession, Kauf und Verkauf,* Sp. *Ajuste, convenio,* It. *Contratto e vendita.*)

This, in English law, is a contract whereby property, either real or personal, is transferred from one person to another for a valuable consideration. The word "assignment" is, however, generally used for the transfer of personal property; consequently, bargain and sale may be described as a contract whereby real estate, lands or tenements, whether in possession or in remainder, are conveyed from one person to another for a consideration.

BARRATRY. (Fr. *Baraterie,* Ger. *Baratterie,* Sp. *Barateria,* It. *Baratteria.*)

This word, which is derived from the French *barrateur,* a deceiver, has two meanings:—

(1) In marine insurance, much the commoner use of the term, it signifies any wrongful act wilfully committed on the part of the master of the ship, or any of the crew, with intent to defraud the owner, charterer, or insurer, whether by running away with the ship, sinking her, unlawfully deserting her, or embezzling the cargo. This is one of the risks usually insured against in marine policies of insurance. The exception, "danger of the seas and fire," often introduced into a bill of lading, does not except liability for barratry, and unless there is an express exemption, shipowners are liable to the owners of the cargo for damage arising from this cause.

(2) Barratry is also a common law misdemeanour, consisting in exciting

and stirring up quarrels between the subjects of the King, either at law or otherwise. It is punishable with fine or imprisonment. It must be distinguished from "maintenance," which is the officious intermeddling in suits which do not concern the party, by lending pecuniary or other assistance for the carrying on of the same, and from "champerty," which is an illegal bargain made between one of the parties to a suit and a third party, whereby it is agreed that the latter shall share in the proceeds of the suit if successful, in consideration of affording financial support for continuing it. Each of these offences is a misdemeanour.

BARREL. (Fr. *Baril*, Ger. *Fass*, Sp. *Barril*, It. *Barile, fusto.*)

A measure of capacity; also the name of a wooden vessel used for the purpose of storing liquids.

The measure varies greatly in different countries of Europe and America, and its variation depends not only upon the locality, but upon the nature of the liquid. In the old English measures a barrel contained 31½ gallons of wine, 32 of ale, and 36 of beer. The French standard barrel, the *barrique* or cask of Bordeaux, contains 50 English gallons, and the Italian *barile* varies from 7 to 31 English gallons. Solids are in many cases sold by the barrel. Thus, a barrel of butter contains 224 lbs. In America the barrel expresses a certain weight of an article: a barrel of flour contains 196 lbs., of beef, 200 lbs., and of soap, 256 lbs.

BARRISTER. (Fr. *Avocat*, Ger. *Advokat*, Sp. *Abogado*, It. *Avvocato.*)

This is the name given to a pleader at the English and Irish Bars, the corresponding Scotch title being advocate.

In order to attain to the dignity and the privileges of a barrister, a candidate must be a male over the age of twenty-one, and must conform to all the rules and regulations of the Inns of Court. There are four Inns—the Inner Temple, the Middle Temple, Lincoln's Inn, and Gray's Inn—and from the Under Treasurer of any one of these societies full particulars may be obtained as to the methods which must be adopted in order that admission may be obtained into what is generally designated the higher branch of the legal profession.

After being proposed by two barristers of the Inn to which he seeks admission, and complying with certain prescribed conditions, a candidate must pay the necessary fees, which amount, roughly, to about £150 in all, pass the requisite examinations, and eat the prescribed number of dinners in hall for a period of three years, or twelve terms in all. There are four terms in each year. A difference is made in this last-named requisite, according as the candidate is or is not a university man—three dinners a term being necessary in the former case, six in the latter. At the end of his studentship days, the candidate is "called," and he is thenceforth entitled to appear as an advocate, if retained for that purpose, in any of the law courts of England and Wales. There is no restriction as to appearance at any court of summary jurisdiction, that is, an ordinary police court, nor at any county court; but no barrister may, by the etiquette of the profession, appear at any assizes or quarter sessions which are not on his circuit, unless he is paid a special fee and has a junior of the circuit with him.

The question of calling is entirely in the hands of the benchers, who constitute the ruling body of the Inn, and although there is a right of appeal from the decision of the benchers to the judges, it is practically useless to hope for success in any such appeal. A barrister may be disbarred or suspended for misconduct, also subject to a similar right of appeal, but otherwise he cannot divest himself of his status without the express permission of the benchers.

A barrister may appear in any court, and no one but a barrister may appear on behalf of a litigant in the High Court or at assizes, except in certain bankruptcy appeals. At quarter sessions this rule may be relaxed if the regular attendance of members of the Bar is very small. Then solicitors are entitled to practise. In county courts solicitors may plead as well as barristers. Whenever he appears in court, a barrister must wear a wig, gown, and bands. This does not apply to courts of summary jurisdiction, in which no special costume is required.

In pleading, a barrister must rely entirely upon the instructions in his brief. He is not supposed to act upon any extraneous knowledge of facts which he may possess; and when he has once been retained in a case, he is entitled to be briefed, by the etiquette of the profession, in all proceedings connected with the same. In practice, however, this procedure is much relaxed.

Although the rule is not strictly enforced, it is the general practice for

a solicitor to accompany a client to any consultation that takes place at a barrister's chambers. Except on circuit, when some place is specially chosen for a conference, a barrister is not supposed to meet his client, solicitor or lay, in a professional way, elsewhere than at his own chambers.

The fees which a barrister is entitled to charge depend upon the whim of his clients and upon his own reputation. What may be allowed by the taxing master of the court, which are all that can be claimed against the party who is mulcted in costs, is another matter. In the High Court this will depend upon the nature and the magnitude of the case. In the county courts there is a fixed scale of costs, entirely dependent upon the amount in dispute, which cannot be exceeded except by order of the judge. The fees are calculated in guineas, but there is always added to the actual fee a certain payment for the barrister's clerk, which varies according to the fee marked on the brief. Thus, to any fee up to four guineas, 2*s*. 6*d*. is added; from five to nine guineas, 5*s*.; from ten to nineteen guineas, 10*s*.; and so on according to a fixed scale. For a fee of fifty guineas or upwards, the clerk's fee is calculated at the rate of 2½ per cent. When a conference takes place, and the fee is one guinea for the barrister, the allowance to the clerk is 5*s*. When there is a consultation between a King's counsel and a junior barrister, the former's clerk is entitled to 5*s*. and the latter's to 2*s*. 6*d*. A King's counsel is supposed to charge a minimum fee of two guineas for any consultation, and this means that the real sum paid is £2 7*s*. A junior barrister's minimum fee is one guinea. As is well known, a King's counsel is generally unable to appear in court unless accompanied by a junior. What are the recognised duties devolving upon each in the conduct of a case need not be discussed here. A barrister cannot sue for his fees, at least so far as those connected with litigious work are concerned, even though he is able to prove that the solicitor who has retained him has actually received payment of the same; it is, of course, to the solicitor that the barrister must always look for his fees. But in certain cases and under special circumstances, a solicitor who fails to pay over the fees which he has actually received may be compelled to appear before the Law Society, and if the case is a flagrant one, that body will inquire into the matter and make a report to the High Court. This may lead to the suspension of the solicitor, or, in an extreme case, to his being struck off the rolls. For various reasons, which it is unnecessary to specify, this disciplinary procedure is rarely resorted to. It is not quite clear to what extent a barrister may claim remuneration for work which is non-litigious, and yet is of such a character as to require professional knowledge and skill. Conveyancers and special pleaders may sue for their fees.

Barristers are divided into two classes —King's counsel and juniors. It is unnecessary to go into detail as to how the senior grade is attained, or as to the peculiar and special work of each in the conduct of litigation.

A barrister is privileged from arrest on his way to and from a court of law, when connected with some pending suit. He is practically unfettered in the conduct of the case, and he may compromise the same. Unless he has been grossly deceived by his client, he is not entitled to throw up his brief. As his services are supposed to be entirely honorary, he is not liable to be sued for negligence, however wrong he may be in his law or in his conduct of a case. His speeches in court are absolutely privileged so far as any proceedings against him by the outside public are concerned. But if this privilege is grossly abused, and a barrister misbehaves in his conduct of a case in respect of his language and statements, the benchers of his Inn may take notice of the matter and deal with it.

In the interests of his clients, the opinions and the advice of a barrister, as well as the instructions given to him, are privileged from inspection at all times.

BARTER. (Fr. *Troc*, Ger. *Tausch*, Sp. *Trueque*, It. *Baratto*.)

This is the exchange of one commodity directly for another, without the employment of money or any other medium of exchange. It is the usual mode of exchange among savage or uncivilised races, and it is likewise generally adopted by civilised nations in trading with savages. The term is derived from the Italian *barattare*, which signifies to cheat as well as to exchange. A direct system of barter can only exist in the earliest commercial state of a people; for, as commercial intercourse extends, the necessity for a standard of value becomes apparent, not only to facilitate operations, but to

prevent that species of over-reaching which necessarily attends barter. Practically, a considerable portion of the trade with uncivilised countries is still a system of barter, for an exporter sends goods to his agent, who frequently, without touching hard cash in the course of the transaction, lays in a cargo of important goods of the same value, and these are really bought in exchange for those sent out.

BASIS PRICE. (Fr. *Prix sec*, Ger. *Grundpreis*, Sp. *Precio fijo*, It. *Prezzo netto.*)

This means the price charged without including items, sizes, qualities, etc., for which extras are charged in some trades.

BATTENED DOWN. (Fr. *Clos de force*, Ger. *mit verschlossenen Luken*, Sp. *Pujado á la baja*, It. *Chiuso, sbarrato.*)

This is a shipping phrase which means securely fastening down the hatches of a vessel in a heavy sea, so as to prevent the inrush of water.

BAZAAR. (Fr. *Bazar*, Ger. *Bazar*, Sp. *Bazar*, It. *Bazar.*)

This word is derived from the Persian, and literally signifies the sale or exchange of goods. Among the Turks and Persians, and in the East generally, it is applied to a market-place, either open or covered, where goods are exposed for sale, and where merchants meet for the transaction of business. In the West, the word is now almost exclusively applied to sales, where the goods have been supplied gratuitously and the proceeds are devoted to religious, charitable, or philanthropic purposes.

BEACON. (Fr. *Phare*, Ger. *Leuchtfeuer*, Sp. *Fanal*, It. *Faro.*)

This word is applied to any signal, buoy, or light, which is utilised for the guidance of sailors in navigation.

BEAR. (Fr. *Baissier*, Ger. *Baissier*, Sp. *Bajista*, It. *Giuocatore di borsa al ribasso.*)

This term is applied on the Stock Exchange to a person who, having sold stock or shares which he does not possess, is anxious that such securities should decline in value, so that when the settling day arrives, or the time for the delivery of the stock or shares, he may be able to buy the same at a lower price and so realise a profit. On the contrary, a "bull" is a speculator who buys stock or shares with a view of selling the same at a higher price when the day of settlement arrives. The hoped-for difference is the anticipated profit which will accrue. Bulling and bearing are pure speculation, but they are operations fully recognised by the Committee of the Stock Exchange, and the rules with respect to them are rigidly enforced.

It has been suggested that the terms originate from the actions of a bull and a bear respectively. It is the natural method of attack for a bull to toss up with its horns, and for a bear to press down with its paws. More probably the name bear is connected with the proverbial sale of the bear's skin before the animal is taken, and the name bull is used in contradistinction to it.

BEARER CHEQUE. (See *Cheque to Bearer.*)

BEERBOHM'S LIST. (Fr. *Liste de Beerbohm*, Ger. *Beerbohm-Liste*, Sp. *Lista de Beerbohm*, It. *Listino di Beerbohms.*)

This is the name given to a daily report which deals mainly with particulars relating to the grain trade and markets.

BELOW PAR. (Fr. *Au-dessous du pair*, Ger. *unter Pari*, Sp. *Debajo de la par*, It. *Sotto il pari.*)

When the price of stocks or shares in the open market is lower than the nominal value of the same, they are said to be at a discount, or below par.

BERTH. (Fr. *Poste, couchette*, Ger. *Ankerplatz, Bett*, Sp. *Atracado, camarote*, It. *Amaca, cuccetta, posto*)

This may mean either

(1) A ship's station when at anchor ; or

(2) A sleeping place on board ship.

When a vessel is being laden, or when she is discharging her cargo, she is often spoken of as being "on the berth."

BID. (Fr. *Offrir, enchère, offre*, Ger. *bieten, Angebot*, Sp. *Pujar, oferta*, It. *Offrire, offerta.*) (Verb and substantive.)

A bid is an offer of a price for any particular article which is on sale, generally at an auction, and to bid is the act of bidding.

A bid may be revoked or withdrawn at any time before its acceptance has been signified.

BILL. (Fr. *Note*, Ger. *Nota, Schein*, Sp. *Letra*, It. *Cambiale, conto.*)

This term has many significations in connection with commerce. Its literal meaning is a sealed paper.

BILL BOOK. (Fr. *Livre de traites et remises*, Ger. *Wechselbuch*, Sp. *Libro talonario de letras*, It. *Libro delle cambiali.*)

This is a book used for the purpose of recording the bills of exchange to be paid or received by a firm. There are generally two books used—a bills payable book and a bills receivable book—

one for the bills owing by the firm, and another for the bills owing to the firm. The bills are entered in chronological order, and the columns generally show the following :—

(*a*) Date of bill.
(*b*) Date of acceptance.
(*c*) Name of drawer or acceptor, according to the book.
(*d*) Amount of bill.
(*e*) Period for which it is drawn.
(*f*) Date of maturity.
(*g*) The place where it is payable.
(*h*) Ledger or journal folio.
(*i*) Remarks.

In some businesses bill books are dispensed with, and the transactions periodically entered in the ledger, or dealt with in the cash book.

BILL-BROKERS. (Fr. *Courtiers de change*, Ger. *Wechselmakler*, Sp. *Corredores de letras*, It. *Agenti di cambio*, *mediatori*.)

These are persons who are engaged, as intermediaries, in the purchase and sale of bills of exchange and promissory notes. They sell bills for those drawing on foreign countries, and buy bills for those remitting to them. It is their business to know the state of the exchange and the circumstances that are likely to elevate or to depress it. Bill-brokers are distinct from discount-brokers, those who procure the discount of bills that have some time to run before they become due.

BILL OF ENTRY. (Fr. *Déclaration en douane*, Ger. *Zolleinfuhrschein*, Sp. *Declaración*, It. *Dichiarazione per la dogana*.)

This is a statement, made upon a printed form filled up in writing by a merchant, of the nature and value of goods for the use of the Custom House. If the goods are for export, they are "entered outwards"; if for import, they are "entered inwards." The collector signs this bill when it is a "perfect entry," and this authorises the searcher to permit the unloading or the shipping of the goods. If the importer does not know the goods sufficiently to give such a bill, he applies for a "Bill of Sight," which gives permission to view the goods in the presence of Custom House officers. The importer must complete the entry of goods delivered by Bill of Sight within three days, otherwise the goods will be conveyed to the King's Warehouse. If the entry is not completed and if the duties with the charges for removal and warehousing are not paid within a month after the landing of the goods, they may be sold for the payment of the same.

BILL OF EXCHANGE. (Fr. *Lettre de change*, Ger. *Wechsel*, Sp. *Letra de cambio*, It. *Lettera di cambio*, *cambiale*.)

A bill of exchange, or, as it is sometimes called, a draft, is defined by the Bills of Exchange Act, 1882, which is the statute codifying the law on the subject, to be "an unconditional order in writing, addressed by one person to another, signed by the person giving it, requiring the person to whom it is addressed to pay on demand or at a fixed or determinable future time a sum certain in money to or to the order of a specified person, or to bearer."

Every word of the definition is important, for if the instrument does not comply with all the requirements set out, it is not a bill of exchange, and the holder of it will not be in possession of a negotiable instrument.

Form of Bill.—No particular form of words is necessary, but it is not often that an inland bill of exchange—which is a bill drawn and payable within the British Islands, or drawn within the British Islands upon some person resident therein—differs from the following :—

"*London, January* 1, 1920.

£250.

Three months after date, pay to Mr. James Thompson or order the sum of two hundred and fifty pounds, for value received.

William Smith.

To Mr. John Robinson,
Bristol."

In this example William Smith is called the "drawer," John Robinson the "drawee," and James Thompson the "payee." As soon as the drawee signifies that he has assented to the order of the drawer, which is ordinarily done by his writing the word "accepted" across the bill and adding his signature, he is called the "acceptor."

The amount for which the bill is drawn is generally indicated in figures in the top left-hand corner, and in words in the body of the bill. If the amounts do not agree, that expressed in words governs the instrument. A bill may be drawn for any amount, however small, the only requisite in this respect being that the sum must be expressed in money, and in money only.

A bill is not invalid by reason only of its not being dated, being antedated, post-dated, or dated on a Sunday. The words "for value received" are

invariably used, although they are quite unnecessary. In a bill of exchange consideration is always presumed, until the contrary is shown.

A bill in the above form, if duly stamped, is a good negotiable instrument. But until the drawee has accepted it he is in no way liable upon it. He is not what is called a "party" to it. In the same way the payee is not a party to the bill, nor is he liable thereon until he has placed his indorsement upon it.

Bills vary greatly as to the times at which they are drawn. The time must, however, be a fixed or determinable future time. It must not depend upon a contingency. Certainty is essential. Some are "at sight" or "on demand," others "after sight." The time at which payment is due upon such bills will be noticed hereafter. Again, the payee may be, and frequently is, the drawer himself. The wording of the bill then runs, "one month after date pay to me or my order." Instead of being payable to order, the bill may be made payable to bearer. This is an important difference, as it affects the mode of transfer of the bill. If the bill is a bill payable to order, no transfer is complete unless the person to whose order it is drawn has indorsed his name thereon. If it is a bill payable to bearer, no indorsement is required.

Foreign Bills of Exchange.—A bill of exchange which does not fall within the definition of an inland bill, given above, is called a "foreign bill." It generally consists of a set of three bills, identical in terms, except that each is expressed to be payable only on condition that neither of the other two has been paid. The three bills are transmitted separately, and the risk of losing the bill—for the three constitute one bill, unless the drawee accepts more than one part—is greatly diminished.

The following is a common form of a foreign bill:—

"*London, January* 1, 1920.
For francs, 10,000.

At forty days after sight of this first of exchange (second and third unpaid) pay to the order of M. Jean Berthelot ten thousand francs, for value received, and place the same to account as advised.

Joseph Brown.

To M. E. Malvin, Paris."

The law affecting foreign bills is in the main the same as that which is applicable to inland bills. But the following differences must be noticed:—

(1) A foreign bill is frequently made payable at one or more "usances." By "usance" is meant customary time, that is, the time of payment as fixed by custom, having regard to the place where the bill is drawn and the place where it is payable. For example, if the usance between London and Rotterdam is one month, a bill drawn in the latter place on January 1, and made payable at double usance, falls due on March 4. (See *Days of Grace.*)

(2) Although an inland bill must be written on duly stamped paper—except where the bill is payable on demand or within three days after date, e.g., in the case of a cheque, and then an adhesive stamp will suffice—a foreign bill need not be stamped before it is issued. It must, however, be stamped before it can be negotiated in the British Islands. N.B.—A foreign bill, therefore, can be stamped, when it comes into the United Kingdom, by the holder, an adhesive stamp being permissible. An inland bill, or a cheque, cannot be stamped with an adhesive stamp except by the drawer, or the banker upon whom it is drawn, and then the latter is entitled to debit the drawer with the amount, viz., 1*d*.

(3) If a foreign bill is dishonoured, the fact must be noted by a notary public. A declaration must also be drawn up as to the dishonour. This is called "protesting the bill." (See *Protest.*)

Stamps.—An inland bill of exchange is stamped as follows—

When payable on demand, or at sight, or on presentation, or not exceeding three days after date or sight, for any amount . .	0	2
(The stamp may be an adhesive one.)		
All others (*ad valorem*)—		
When the amount does not exceed £10	0	2
When the amount exceeds £10 and does not exceed £25 . .	0	3
Ditto £25 Ditto £50 . .	0	6
Ditto £50 Ditto £75 . .	0	9
Ditto £75 Ditto £100 . .	1	0

When the amount exceeds £100, 1*s*. for the first £100, and an additional 1*s*. for every fractional part of £100. Thus a bill, not payable on demand, or within three days after date or sight, for £825 requires a 9*s*. stamp.

An impressed stamp is necessary in every case where the duty imposed is calculated *ad valorem*. Dealing with bills of exchange which are improperly

stamped renders the person so doing liable to a penalty of £10.

A foreign bill, drawn and expressed to be payable out of the United Kingdom, which is actually paid, indorsed, or negotiated in the United Kingdom, is stamped as an inland bill, except that when the amount, estimated in the British coinage, is between £50 and £100, a 6*d*. stamp only is required, and when the amount exceeds £100, a 6*d*. stamp is required for each fractional part of £100. (See *Finance Act*, 1899.)

Capacity of Parties.—"Capacity to incur liability as a party to a bill is co-extensive with capacity to contract." (See *Contract.*)

An infant is not liable upon a bill of exchange, even though it is given for the price of necessaries supplied to him. He can only be sued upon the consideration. And this restriction cannot be avoided by post-dating the bill so as to make it payable after the attainment of majority. But although an infant cannot be sued as a party to a bill—whether as drawer, acceptor, or indorser—his signature on the bill does not affect the document's validity as between the other parties to it.

Since the contracts of lunatics and drunken men are voidable only and not void, neither lunacy nor drunkenness can be set up as a defence against a holder in due course. (See *Holder.*)

An agent may or may not be personally liable upon a bill according to the manner in which he signs it. Thus, if he accepts and signs, "J.S., Manager," or something equivalent, he is personally liable, for the additional word "manager" is merely descriptive of himself; but if the acceptance is given in the following or a similar form, "X. & Y., Limited, J. S., Manager," and J. S. is acting within the scope of his authority, he is not personally liable at all, as he accepts simply as agent for the firm. (See *Agent.*)

The capacity of a corporation or a company to contract depends upon the purposes for which it is formed, and the charter, statute, or memorandum of association by which it is constituted. It is generally presumed that a trading corporation has capacity to contract by bill. In other cases, the power must be expressly given.

In a partnership, each partner is the agent of the other or others, and the capacity of any partner to contract by bill and to make the firm liable depends upon the nature of the partnership. If it is a trading concern, the drawing, accepting, and indorsing of bills are a part of the regular business of the firm, and all the partners are liable for the acts of any one of them. If the partnership is not a trading concern, there is no presumption of authority.

It is worth while bearing in mind that if a person becomes a party to a bill in an assumed name, his liability is the same as though he had signed in his proper name, provided that his identity is clearly established.

Consideration for a Bill of Exchange.—"Valuable consideration for a bill may be constituted by:—

(*a*) Any consideration sufficient to support a simple contract;

(*b*) Any antecedent debt or liability."

This second sub-section is an exception to the general rule of simple contracts, that the consideration must not be a past one.

It is a presumption of law that every person whose signature appears on a bill of exchange became a party to the bill for valuable consideration. This presumption, however, may be rebutted by evidence to the contrary.

It cannot be too carefully remembered that every holder of a bill of exchange is presumed to be a holder in due course, and that if value has been given for it at any time, it will be no defence to an action on the bill against any party, who was a party to it previous to the time of its last transfer for value, that he received no consideration for it. But there is no right of action against an immediate transferee unless value is given. For example, if a bill is drawn and accepted for value, and then transferred through the hands of several persons, and at last handed as a gift to the holder, the holder may recover the amount for which the bill is drawn from any person whose signature appears upon it, except the person from whom he received it as a gift. (See *Accommodation Bill.*)

If a bill (including, of course, a promissory note and a cheque) is given for a wagering or gaming debt, the winner cannot sue the loser upon it. And it is clear law that a bill given to secure a gaming or wagering debt is void in the hands of a holder for value who took it with notice of the transaction. But if the instrument is transferred for value to a third person, who is unaware of the fact that it is connected with a gaming or wagering transaction, such third person can enforce payment.

Issuing a Bill.—As a deed is of no

effect until it is delivered, so a bill of exchange is of no effect against the parties to it if, although complete in form, it comes into the hands of a person through some fraud before it has been delivered. For example, a bill complete in form may be stolen from the desk of the drawer. If there has been no delivery of the bill, the drawer will not be liable upon it if it gets into circulation.

The bill must be presented at some time or other to the drawee in order to procure his acceptance. It is the common practice to obtain the acceptance of the drawee as soon as possible after the bill is drawn, though there is no absolute necessity for doing so until any time before the date fixed for payment, or in order to fix the date of payment if the bill is drawn "after sight," etc. If acceptance is refused, or if payment is not made at the date on which the bill is payable, the bill is said to be dishonoured by non-acceptance or by non-payment, as the case may be. If a bill is dishonoured by non-acceptance for any reason, the holder may take the acceptance of any person other than the drawee, who accepts for the honour of the drawer. (See *Acceptance*, *Acceptance for Honour*, *Dishonour*.)

Negotiation.—The negotiation of a bill signifies its transfer, and unless the bill contains words prohibiting its transfer, any holder may so deal with it. The method of transfer depends upon whether the bill is payable to order or to bearer. If the former, the person to whose order it is drawn must have indorsed his name upon it. If the latter no indorsement is necessary. But it is always advisable to secure the indorsement of a transferor, even when the bill is payable to bearer, so as to make him liable as a party to the bill, in case it is dishonoured.

When any transferor simply writes his name on the back of a bill, he is said to indorse it "in blank." If he indorses it in some such manner as the following, "Pay X. Y. or order," the bill is said to be "specially indorsed." The difference between these two kinds of indorsement is this. In the former case the transferee can negotiate the bill by mere delivery, whereas in the latter the signature of X. Y. is an absolute necessity before any further transfer can take place. If further words are added, such as "Pay X. Y. only," the bill is said to be "restrictively indorsed," and no further negotiation of the bill is possible. By the use of the words "*sans recours*" (without recourse), the transferor excludes his personal liability. A transferee may very naturally object to take such a bill.

When the number of transfers is considerable, the space on the back of the bill may be insufficient to contain all the names of the intended indorsers. An "allonge" is then attached to the bill. (See *Allonge*.)

Days of Grace.—A bill of exchange, regular and perfect on the face of it, retains the special qualities of negotiability as long as it is not overdue. The holder must, therefore, present it for acceptance, and afterwards for payment, at the proper time, unless it has been previously dishonoured by non-acceptance. In calculating the date at which a bill is payable, three days are allowed after the specified time, which are called "days of grace." If the third day of grace falls on a Sunday, Christmas Day, or Good Friday, or on a day appointed by Royal Proclamation as a public fast or thanksgiving day, the bill is payable on the last preceding business day; if it falls on a bank holiday the bill is not payable until the next succeeding business day. If the last day of grace is a Sunday, and the preceding day a bank holiday, payment is due on the succeeding business day. There are no days of grace allowed in the case of bills or promissory notes, which are payable on demand or at sight, or when the allowance of days of grace has been specially negatived on the face of the bill or promissory note in question.

Forgery.—The position of a holder in due course is unaffected by any defects in the title of any prior party to the bill, even though such prior party may have stolen the bill. But no title can be made through a forgery. Thus, if a bill is made payable to the order of a particular person, or is specially indorsed to him, and another person forges his indorsement, a subsequent transferee has no rights as a holder in due course, even though he took the bill without any knowledge of the forgery and gave value for it. The forgery of an indorsement is not a mere defect of title. Even a banker is responsible to his customer if he pays under a forged indorsement, unless it is a bill drawn upon himself payable on demand, i.e., a cheque. (See *Cheque*.) For this reason, when bills are made payable at a particular bank, the banker will make special arrangements with his

customers so as to avoid the chance of loss, particularly by stipulating that the bills shall be lodged with him a certain number of days at least before the due date of payment. Although a transferee acquires no rights through a bill which bears a forged indorsement, he can demand repayment of the amount which he has paid for the bill from his immediate transferor. An unauthorised signature is also *primâ facie* inoperative to charge the person named. But there is this difference between an unauthorised and a forged signature. The former can be ratified, so that legal effect can be given to the bill; the latter cannot.

Notice of Dishonour.—When a drawee refuses to accept a bill, or when, having accepted, he refuses to pay the amount of it at maturity, the bill is said to be dishonoured. The holder must at once give notice of the dishonour to all parties to the bill whom he wishes to hold responsible for the default of the drawer. This notice is generally given in writing, and should be sent out immediately. In the absence of special circumstances, the following are the rules as to the time for giving notice of dishonour :—

(*a*) Where the person giving and the person to receive notice reside in the same place, the notice must be given or sent off in time to reach the latter on the day after the dishonour of the bill.

(*b*) When the person giving and the person to receive notice reside in different places, the notice must be sent off on the day after the dishonour of the bill, if there is a post at a convenient hour on that day; and if there is no such post on that day then by the next post thereafter.

Each person to whom notice of dishonour is given has the same time in which to give notice to any parties to the bill whom he, in turn, desires to make responsible.

In many cases notice of dishonour is dispensed with under the Bills of Exchange Act. (See *Dishonour.*)

Rights and Liabilities of Parties.—These are separately considered in detail under the headings of *Acceptor, Drawer, Holder*, and *Indorser.*

Discharge of Bill.—A bill is discharged when all rights of action thereon are extinguished. It then ceases to be a negotiable instrument, and no holder is able to take any proceedings upon it. Other rights of action may remain, but they are independent of the bill itself.

The most obvious and general method of discharging or extinguishing the right of action on a bill is payment by the acceptor according to the tenor of the instrument. Part payment of a bill in due course operates as a discharge *pro tanto.*

If a bill, in the course of negotiation, gets into the hands of the acceptor as a holder in due course, at the time when or after payment is due, it is discharged.

The holder may, after payment is due, renounce his right of action against the acceptor, and if he does so either by delivery of the bill to the acceptor, or by making a renunciation in writing, the bill is discharged.

Material alteration or intentional cancellation will act as a discharge. But if the alteration is material, e.g., date, amount, time or place of payment, the alteration must be apparent, otherwise a holder in due course may avail himself of the bill as if it had not been altered, and enforce payment according to its original tenor.

It should be recollected that the acceptor of a bill of exchange is under no duty to take precautions against fraudulent alteration in the bill after acceptance. Thus, in the case of *Scholfield* v. *Earl of Londesborough*, 1896, A.C. 514, a bill for £500 was presented for acceptance with a stamp of much larger amount than was necessary, and with spaces left vacant so that it was possible for words or figures to be inserted. The acceptor wrote his acceptance and handed the bill to the drawer, who fraudulently filled up the spaces and turned it into a bill for £3,500. Being sued on the bill by a *bonâ fide* holder for value, the acceptor paid £500 into court, and it was held that this was the extent of his liability. The law upon the subject of negligence of this character—for it is submitted that it is negligence on the part of a person who draws a bill in such a manner that another can alter it—has been declared to be practically the same in the case of a cheque. (See *Cheque.*)

Lost Instruments.—" Where a bill has been lost before it is overdue, the person who was the holder of it may apply to the drawer to give him another bill of the same tenor, giving security to the drawer if required to indemnify him against all persons whatever in case the bill alleged to have been lost shall be found again.

" If the drawer on request as aforesaid refuses to give such duplicate bill, he may be compelled to do so.

" In any action or proceeding upon

a bill, the court or a judge may order that the loss of the instrument shall not be set up, provided an indemnity be given to the satisfaction of the court or judge against the claims of any other person upon the instrument in question."

Incomplete Instruments.—The signing and delivery of a blank stamped paper is a *primâ facie* authority to fill it up as a bill for any amount which the stamp will cover, using the signature for that of the drawer, the acceptor, or an indorser. In like manner, if the bill is wanting in any material particular, the holder has a *primâ facie* authority to fill up the omission in any way he thinks fit. But the completion must be within a reasonable time and strictly in accordance with the authority given. It is unnecessary to pursue this subject. Any man who deals with an inchoate bill of exchange is not a business man. Such instruments should always be looked upon with the utmost suspicion.

How long Negotiable.—If a bill of exchange is negotiable in its origin it continues to be so until it has been restrictively indorsed or discharged by payment or otherwise. Its negotiability cannot be affected by writing the words "not negotiable" across the face of it, as the negotiability of a crossed cheque can be and is often restricted. If an overdue bill is negotiated, it can only be so dealt with subject to any defect of title affecting it at its maturity. Thenceforward no person who takes it can acquire or give a better title than that which the person from whom he took it possessed. A bill payable otherwise than on demand is overdue after the expiration of the last day of grace; a bill on demand after it has been in circulation for an unreasonable length of time. What is an unreasonable time is a question of fact in each case.

Bill as Payment.—When a bill of exchange is given in payment of a debt, the remedy in respect of the debt is suspended until the bill has been dishonoured, that is, the creditor cannot sue the debtor during the currency of the bill. The payment is only conditional and, if the bill is not met at maturity, the debt revives. It is immaterial whether the bill is payable on demand or *in futuro;* and if a party who is chargeable upon a bill commits an act of bankruptcy (*q.v.*) during the period of its currency, the holder is entitled to present a bankruptcy petition upon it, if the other requirements of the law concerning the presentation of a petition are satisfied.

BILL OF HEALTH. (Fr. *Patente de santé*, Ger. *Gesundheitspass*, Sp. *Patente de sanidad*, It. *Patente di sanità.*)

This is a certificate or instrument granted by a consul, or other competent authority, to the master of a ship at the time of her clearing out from any port or place, declaring the state of health in the place at that time. A "clean bill" imports that, at the time the ship sailed, no infectious disorder was known to exist; a suspected or "touched bill" denotes that there were rumours of an infectious disorder, but that it had not yet actually appeared; a "foul bill," or the absence of clean bills, imports that the place was infected when the vessel sailed. If the ship brings a clean bill of health, the passengers and goods are not subject to any quarantine; but if the ship brings a foul or suspected bill, both passengers and goods may be subject to quarantines of different duration, according as the disease is known or only suspected to have existed in the country at the time of the ship's departure.

BILL OF LADING. (Fr. *Connaissement*, Ger. *Konnossement*, Sp. *Conocimiento*, It. *Polizza di carico.*)

A bill of lading is an acknowledgment of the shipment of goods, which also contains the terms and conditions agreed upon as to their carriage. It is not necessarily the contract of carriage itself, though it is excellent evidence of it.

Even when the ship is chartered, and the charterer finds the whole cargo, a bill of lading is often used in respect of each separate parcel of goods; but it is most commonly found when a cargo of different kinds of goods is collected from different consignors. A copy of the bill of lading for his goods is given to each consignor for the goods which he has shipped; and this serves not only as a receipt for the goods, but also as a document which can be indorsed and delivered to another party, who thereby has the property in the goods named transferred to him.

The forms of bills of lading vary considerably, and some are extremely elaborate, the object of the shipowner being to limit his liability for loss or damage as far as possible. Special provisions are frequently inserted to meet particular cases, but the main points contained in an ordinary bill of lading will be found in the subjoined specimen

Shipped in good order and well condition d by C. B., merchant, etc., in and upon the good ship called , whereof C. D. is master for the present voyage, now riding at anchor at and bound for , five thousand sacks of wheat, being marked and numbered as in the margin, and to be delivered in the like good order and well conditioned at the aforesaid port of , the act of God, the King's enemies, fire, machinery, boilers, steam, and all and every other damages and accidents of the seas, rivers, and steam navigation of whatever nature and kind soever excepted, unto E. F. there or to his assigns, he or they paying freight for the said goods £ per ton of twenty cwts. net delivered with primage and average accustomed.

In witness whereof the master or purser of the said ship hath affirmed to three bills of lading of this tenor and date, the one of which bills being accomplished the other two to stand void.

Dated in the 1st *January,* 1920.
Weight, value, and contents unknown.
C. D.

The bill of lading is ordinarily signed by the master, who affixes his signature as agent of the owners of the ship. If, however, the ship has been chartered, he may be agent of the charterer, and not of the shipowners. Each case will depend upon its own facts.

A bill of lading for goods to be exported or to be carried coastwise must be stamped with a sixpenny stamp before execution. There is no law which states by whom the stamp duty must be paid. The general custom is for the shipper who presents the goods to do so. A bill of lading for goods shipped abroad need not be stamped.

The bill of lading may, or may not, name a special consignee. It is often made out in blank, and then the ownership of the goods remains in the consignor, whereas in the former case the consignee is the person who is entitled to claim them at the port of destination.

The person entitled to the goods named in a bill of lading may transfer the ownership in them to another person by the indorsement and delivery of the bill to the transferee. This can be effected at any time after the bill of lading comes into his hands, and if the transfer is made for value and the bill is indorsed, the consignor's right of stoppage *in transitu* (*q.v.*) is gone.

The indorsement and delivery of a bill of lading always operated as a transfer of the property of the goods named therein. But, at common law, there was not, and could not be, a transfer of the contract made between the original parties. If, therefore, the transferee had to sue or to be sued in an action based upon the contract, it was necessary to join the consignor as a party. As this led to much inconvenience, the Bills of Lading Act was passed in 1855, by which "every consignee of goods named in a bill of lading to whom the property in the goods therein mentioned shall pass, upon or by reason of such consignment or indorsement, shall have transferred to and vested in him all rights of suit, and be subject to the same liabilities in respect of such goods as if the contract contained in the bill of lading had been made with himself."

Bills of lading are not negotiable instruments. The transferee, even though he takes the bill *bonâ fide*, and gives value for it, acquires no better title than the transferor had.

The words "weight and contents unknown" are frequently added at the foot of a bill of lading, and also other words to the effect that the value of the goods is unknown. This is for the purpose of protecting the master of the ship. If no such words are contained in the bill, and if it is stated that the goods are shipped in good order and condition, the bill of lading is evidence that the goods were, in fact, put on board in such a condition, and the master must deliver them in the same condition, even though the statement is untrue. A bill without this qualification is called a "clean" bill of lading.

What has been stated so far has been founded on the assumption that goods have been actually put on board for the purpose of being carried, and for these, subject to the exceptions contained in the bill of lading, the shipowner is liable. But if the master signs a bill of lading for goods which are not actually received on board, he is acting outside the scope of his authority and the shipowner is not liable, provided that there is no express stipulation in the bill of lading which makes him liable in any event. The onus of proving that the goods were never shipped is upon the shipowner. As for the master's liability in such a case, the Bills of Lading Act, 1855, provides, by sect. 3, that "every bill of lading in the hands of a consignee or indorsee for valuable consideration, representing goods to have been shipped on board a vessel, shall be conclusive evidence of

such shipment as against the master, or other person signing the same, notwithstanding that such goods or some part thereof may not have been so shipped." But it is clear that the holder of the bill must have acted *bonâ fide* all through, so as to be able to avail himself of the statutory aid.

It is usual to prepare three copies of a bill of lading. This is called "drawing in a set." One copy is retained by the consignor, a second by the master, and the third is sent to the consignee. If the first and third are delivered to different purchasers, the property in the goods passes to the purchaser who is first in point of time. But the master is not liable if he delivers the goods to any person who presents one of the parts of the bill of lading to him, even though he may not be the first transferee. He must, however, show that he acted in good faith, and that he had no notice of conflicting claims. If there is any dispute the master must interplead, that is, compel the opposing parties to fight out their claim between themselves, he expressing his willingness and readiness to give up the goods to the one who is declared to be the rightful owner.

BILL OF SALE. (B/S.) (Fr. *Contrat de vente*, Ger. *Verkaufsbrief*, *Verkaufsanweisung*, Sp. *Escritura de venta*, It. *Scrittura o polizza di vendita, ipoteca su merci.*)

A bill of sale is a document under seal which passes the right and property in chattels from one person, called the grantor, to another, called the grantee.

Bills of sale are of the nature of mortgages of goods, and are, for the most part, within the provisions of the two Acts passed in 1878 and 1882, called the Bills of Sale Acts. But although the Acts must be considered together in order to understand their provisions, the objects of the two are quite dissimilar. The former was passed for the protection of creditors, in order to prevent persons obtaining credit when in the apparent possession of goods which were the property of another person; the latter was passed for the protection of the borrowers themselves, as it was found that persons in impecunious circumstances were often induced to sign complicated documents without understanding their nature and meaning.

Only a few points with regard to bills of sale are here noticed, because it cannot be too strongly impressed upon the minds of all people that any transactions in connection with bills of sale, which are not carried out through the medium of a reputable solicitor, are likely to end in trouble and disaster.

No trader should ever resort to such a security until he has exhausted every other source of borrowing money. It stops his credit and cannot fail to harm him in his business, because, as bills of sale must be registered, whenever a transaction of any magnitude is contemplated the proposed creditor will examine the file to see whether such a bill is in existence in the name of the proposed debtor.

Bills of Sale Act, 1878.—The provisions of this Act do not deal exclusively with documents relating to sales, for the term "bill of sale" has been defined to include, in addition, assignments, transfers, declarations of trust without transfer, inventories of goods with receipt attached, assurances of personal chattels, powers of attorney, authorities or licences to take possession of personal chattels as security for any debt, and any agreement, whether intended or not to be followed by the execution of any other instrument, by which a right in equity to any personal chattels, or to any charge or security thereon, shall be conferred.

The following documents are, however, declared by the Act not to be included, viz., assignments for the benefit of the creditors of the person making or giving the bill of sale, marriage settlements, transfers or assignments of any ship or vessel or any share thereof, transfers of goods in the ordinary course of business of any trade or calling, bills of sale of goods in foreign parts or at sea, bills of lading, India warrants, warehouse-keepers' certificates, warrants or orders for the delivery of goods, or any other documents used in the ordinary course of business as proof of the possession or control of goods, or authorising or purporting to authorise, either by indorsement or by delivery, the possessor of such document to transfer or receive goods thereby represented. The Act does not apply to any debentures issued by any mortgage, loan, or other incorporated company, and secured upon the capital, stock or goods, chattels, and effects of such company.

Personal chattels mean goods which are capable of complete transfer by delivery, also fixtures and growing crops assigned separately from the buildings or land to which they are

attached. Trade machinery is included, whether assigned together with, or separately from, the building to which it is attached, with the exception of certain fixed motive power machinery, pipes, etc., which are declared not to be personal chattels under the Act.

Requisites of Absolute Bills of Sale.—Absolute bills of sale must be (*a*) duly attested, (*b*) registered within seven days, (*c*) accurate in the statement of the consideration for which the bill is given. The attestation of the execution must be by a solicitor, and it must state that before the execution took place the effect of the bill of sale had been explained to the grantor by the attesting solicitor. Registration is made in the central office of the High Court of Justice within seven clear days after the execution of the bill of sale. A true copy of the bill is filed, and it must be accompanied by an affidavit upon application for registration. The copy must be exact in every particular; nothing contained in the original must be omitted. The affidavit must set forth the time when the bill was made, executed, and attested, and must state the residence and occupation of the grantor and of every attesting witness. Registration must be renewed at least every five years. The greatest care is required in setting out the consideration with perfect accuracy.

Under an absolute bill of sale, the goods named therein become the property of the grantee at the time of the execution of the document, and the grantee is entitled to demand them at any time, subject to any agreement which has been entered into between himself and the grantor. It is a common practice for the grantee to let the goods to the grantor under a hiring agreement. In this way many a judgment creditor has been defeated and has been deprived of all satisfaction arising from a legal victory in the courts.

The Act provides that a bill of sale shall be void against the trustee in bankruptcy, or an execution creditor of the grantor, so far as regards goods contained in it and still remaining in the possession of the grantor, unless the above requisites are complied with. Non-compliance does not make the bill of sale void for other purposes. For example, the grantee has a good title against the grantor, even though there has been no registration.

Bills of Sale Act, 1882.—The bills of sale dealt with by this Act, which is supplementary to the Act of 1878, are conditional, and may be defined as those which pass the goods of the transferor to the transferee, subject to a condition re-vesting them in the transferor upon the performance of the condition imposed, viz., repayment of the money lent.

Requisites and Form of Conditional Bills of Sale.—If the bill of sale does not comply with certain requisites and forms it is absolutely void, not only as regards other creditors of the grantor but as between the grantor and the grantee. The principal of these are:—

(1) The bill of sale must be made in accordance with the form given in the schedule of the Act. Though the words need not be the same, they must produce the same legal effect, and must be framed so as not to deceive any reasonable person as to their exact meaning.

(2) It must be attested by one or more credible witnesses who are not parties to the bill. The attesting witness must be accurately described even when he is a person without occupation.

(3) The bill must be registered within seven days of its execution, and re-registration is necessary every five years. Registration not only gives publicity to the fact of the granting of a bill of sale, but secures priority to the grantee over other bills of sale given at a subsequent date. The rights under a bill of sale may be transferred, but there is no need to register the transfer.

(4) The consideration for which the bill of sale is given must be truly set out, and must amount to £30 at least.

The form given in the Act is that of a deed. It contains the names and descriptions of the parties, the consideration for which the bill is given, the assignment by the borrower of the goods, specified in an annexed schedule, to the lender, the interest to be paid, the covenant of the borrower to repay the sum lent with interest on a certain future date, and a provision that the goods shall not be liable to seizure except for any of the causes specified in the seventh section of the Act. No goods will be included in the security which are not set out in the schedule, which must be annexed to the bill of sale, and if goods are included which are not the property of the grantor, the bill will be void to that extent, except as against the grantor himself.

This is a provision which prevents a trader from including in such a bill his stock-in-trade for the time being.

For reasons which are set out in the third paragraph of the present article, no forms of bills of sale have been given in the text. A layman should have nothing to do with them.

Remedies of the Grantee.—The grantee of a bill of sale, which is regular in form and not wanting in any of the legal requisites of such a document, is a secured creditor, and is superior to the claims of all other creditors of the grantor, except the landlord and the Crown. The landlord has the right of distress for rent accrued due, and can seize and sell in satisfaction of the same any goods which are upon the demised premises at the time of making the distress, even though they are comprised in the schedule annexed to a bill of sale given by the tenant. (See *Distraint.*) So with the tax collector. It is therefore necessary for the grantee to be safeguarded against such a contingency. And in order to protect him further and to save him from the annoyance of litigation, the Act of 1882, by its seventh section, has set forth the causes for which the goods covered by a bill of sale may be seized. They are:—

(*a*) If the grantor makes default in payment of any money secured at the time provided for payment, or in the performance of any of the covenants contained in the bill.

(*b*) If the grantor becomes bankrupt or suffers his goods to be distrained for rent, rates, or taxes.

(*c*) If the grantor fraudulently removes his goods or suffers them to be removed from the premises where they are at the time of the execution of the bill.

(*d*) If the grantor refuses, without reasonable cause, upon demand in writing by the grantee, to produce his last receipts for rent, rates, and taxes.

(*e*) If the grantor allows execution to be levied against his goods by any judgment of law.

After seizure the grantee may sell the goods seized, in the same manner as a legal mortgagee of land. (See *Mortgage.*)

Remedy of the Grantor.—If the grantor has any ground upon which to impugn the transaction, either that the bill of sale is void or that the seizure is irregular, he may apply to a judge of the High Court to restrain the grantee from removing or selling the goods. The application must be made within five days of the seizure of the goods, and during that time the goods must not be moved. If the judge is satisfied that the grantor has *primâ facie* a just cause of complaint, he will make such order as he thinks proper in the matter, and forbid the removal and sale.

Stamps and Fees.—The stamps on absolute bills of sale are on the same scale as those on conveyances of property, on conditional bills of sale, as on mortgages. The fees payable are as follows:—

	£	*s.*	*d.*
On filing a bill of sale and affidavit, where the consideration (including further advances) does not exceed £100	0	5	0
Above £100, and not exceeding £200	0	10	0
Above £200	1	0	0
Affidavit of re-registration	0	10	0
Fiat of satisfaction	0	5	0
Request for search and certificate	0	5	0

Publicity.—Every bill of sale, in order to be valid, must be registered, and this registration gives the utmost publicity to the transaction. Any person may search at the central office and obtain an official copy of any bill of sale. When a bill is satisfied, the satisfaction will be entered in the central office, and this will be as extensively advertised as the bill of sale was when it was registered.

Bill of Sale (Shipping).—The sale of a British ship can be effected only by a document inappropriately called a bill of sale, since the Bills of Sale Act, 1878, does not apply to it. The form required is given in the Merchant Shipping Act, 1894, and must be adhered to. The transferee must make a declaration to the effect that he is qualified to be the owner of a British ship, that is, that he is a British subject, natural born or naturalised, or, in the case of a corporation, that the corporation is established under and is subject to the laws of some part of the British dominions, and has its principal place of business within the British dominions. (It must be remembered that an alien is excluded by statute from the privilege of holding property in a British ship.) The bill of sale and the declaration are presented to the registrar, who records the transaction in the register book, and indorses the bill of sale with a statement acknowledging the registration.

If the transfer takes place by operation of law, that is, through the death or bankruptcy of the owner, the executor, administrator, or trustee cannot be entered on the register as a transferee, unless he is in other respects qualified to be the owner of a British ship. At the request of an unqualified person, who is entitled as executor, administrator or trustee, the court may order the ship or the share in it (the property in a ship is divided into sixty-four shares) to be sold within four weeks of the transmission of the interest of the deceased or bankrupt.

BILL OF SIGHT. (Fr. *Permis provisoire*, Ger. *provisorische Zolldeklaration*, Sp. *Permiso provisorio*, It. *Permesso doganale provvisorio.*)

This is the name that is given to a temporary form of entry at the Custom House, by which permission is given for goods to be landed, so that they may be examined in the presence of one of the officials, and a perfect entry made of them, in cases where the consignee, from insufficient advice, is not certain what goods are consigned to him, or the bill of lading leaves him ignorant of the exact description, value, or quantity of goods which he is importing.

BILL OF STORE. (Fr. *Passe-debout*, Ger. *Wiedereinfuhrschein*, Sp. *Pase*, It. *Lascia-passare.*)

This is a form of entry permitting the re-importation of British goods, within five years of their exportation, without their being subjected to the duties and general conditions applicable to foreign goods. The Commissioners of Customs must be satisfied that the goods are of British origin. All foreign goods on re-importation are liable to the same duties, regulations, etc., as on their first importation. It is immaterial that the duties were paid and the regulations observed on their first entrance into the country.

BILL OF SUFFERANCE. (Fr. *Lettre d'exemption des droits de douane*, Ger. *Zollvergünstigungsbrief*, *Zollvergünstigungsgesetz*, Sp. *Carta de exención de derechos de aduana*, It. *Lettera di esenzione dal dazio.*)

A bill of sufferance is one which permits coasting vessels to sail with dutiable articles in bond. Such articles must be landed at a sufferance wharf, or placed in a bonded warehouse, until the duty is paid.

BILL, VICTUALLING. (Fr. *Liste de provisions soumises aux droits*, Ger. *Proviantschein*, Sp. *Lista de provisiones sujetas á los derechos*, It. *Listino o distinta delle vettovaglie soggette a dazio.*)

This is a licence granted to ships to carry free of duty stores necessary for the voyage. The licence is obtained from the Customs authorities.

BIMETALLISM. (Fr. *Bimétallisme*, Ger. *Doppelwährung*, Sp. *Bimetalismo*, It. *Bimetallismo.*)

Bimetallism is the system of currency based upon a double standard, gold and silver, as distinguished from that based upon a single standard, which is known as monometallism. England has been a monometallic country, the standard being gold, since 1816, and Germany followed suit in 1873. India and China are silver "monometallists." The countries belonging to the Latin Union are bimetalic.

The rapid fall in the price of silver after 1873 brought the subject forward into increased notice. The advocates of bimetallism proposed certain measures, particularly the fixing of the ratio between gold and silver as 1 to 15½, by which they believed the fluctuations in the real value of the two precious metals would be steadied and trade be carried on, especially with the East, to greater advantage. It is not at all certain that this would be so, and the enormous increase in the value of silver in 1918 and 1919 has shaken confidence in the idea. It must not be forgotten that gold and silver are commodities just like anything else, and that it is no more possible to fix the prices of these metals by law than it would be to fix the prices of corn or cotton. It is quite certain that in the payment of a debt, whatever the legal position might be, a debtor would always choose, if the option was left to him, that metal which was the cheaper in the market in order to liquidate his obligation.

BLACK-BALLING. (Fr. *Blackboulage*, Ger. *durchfallen lassen*, Sp. *Votar negativamente*, It. *Dar palla nera, votar contro.*)

When a person wishes to be elected to a club or other association, it is the general custom for the members to vote by ballot as to his election. Two balls, one white and the other black, are taken by each member, and one of them is placed in a certain depositary. The white agrees to the election, the black is against it. To put in a black ball is known by the name of black-balling. It depends upon the rules of the club or association as to how many black balls finally exclude.

BLACK LIST. (Fr. *Liste des insolvables*, Ger. *schwarze Liste*, Sp. *Lista de insolventes*, It. *Albo dei fallimenti.*)

This is the name given to printed lists of bankrupts, suspensions, bills of sale, and similar matters issued for the private guidance of the trading community.

The black list under the Licensing Act, 1902, consisting of the names of persons forbidden to visit public-houses, became obsolete very soon after its introduction.

BLANK BILLS. (Fr. *Traites en blanc*, Ger. *Wechselformulare, Blankowechsel*, Sp. *Letras no escritas*, It. *Tratte o cambiali in bianco.*)

These are bills which are drawn without their inserting in them the name of the payee. The following is an example of such a bill :—

"*London, January* 1, 1920.

Please pay on demand the sum of Fifteen pounds ten shillings.

Thomas Thorne.

To Mr. Walter Whiffin."

BLANK CREDIT. (Fr. *Crédit en blanc*, Ger. *Blankokredit*, Sp. *Crédito en blanco*, It. *Credito in bianco.*)

A blank credit is the name given shortly to a blank letter of credit (*q.v.*) when no specific sum of money is named in it.

BLANK INDORSEMENT. (Fr. *Endossement en blanc*, Ger. *Blankogiro, Blanko. indossament*, Sp. *Endoso en blanco*, It *Girata in bianco.*)

When a bill of exchange or other similar document is transferred from one person to another, it is the usual practice for the transferor to write his name upon the back thereof. This is an indorsement. If the indorsement consists simply of the signature of the transferor, and there is no special person named as transferee, the indorsement is a blank one; and so long as no special person is named as indorsee, the indorsement remains blank and the document, if it is a negotiable instrument, passes by mere delivery. If the transferee is named, the indorsement is a special indorsement, and the transferee must sign the document before there can be any further legal transfer.

A bill of exchange with a blank indorsement is payable to bearer. When a bill has been indorsed in blank, any holder may convert the blank indorsement into a special indorsement by writing above the indorser's signature a direction to pay the bill to or to the order of himself or some other person.

BLANK TRANSFER. (Fr. *Transfert en blanc*, Ger. *Blankoabschreibung, Blankoubertragung*, Sp. *Transferencia en blanco*, It. *Atto di cessione in bianco, trasferimento in bianco.*)

This is a transfer deed with the name of the transferee left blank, sometimes given to bankers and others as a greater security for money lent upon the stock and shares represented thereby.

BLENDING. (Fr. *Mélange*, Ger. *Mischen*, Sp. *Mezcla*, It. *Mescolanza, miscuglio.*)

The term "blending" is used in commerce to signify the mixing together of various growths and different qualities of any given commodity, in order to improve or strengthen the whole. There are many articles which are dealt with in this manner, those most commonly so treated being such things as tea, coffee, wines, spirits, and tobacco.

BLOCKADE. (Fr. *Blocus*, Ger. *Blockade*, Sp. *Bloqueo*, It. *Blocco.*)

In naval warfare, each belligerent is anxious to injure the maritime commerce of its opponent or opponents to the utmost possible extent. The most effective method of effecting this is by instituting a blockade. If a blockade is declared, no vessel of any nationality can either enter or leave a blockaded port of an enemy country, except in a few instances, without running the risk of capture and subsequent confiscation. This right of blockade has long been recognised as binding by International Law, but its abuse in the early part of the nineteenth century led to a great modification after the date of the Treaty of Paris, 1856, when the majority of the Great Powers agreed that no blockade could be recognised as lawful unless it was maintained by an adequate naval force. Of course, whenever a blockade is declared by any country, all other countries must be informed of its existence. Owing to many exceptional circumstances connected with naval warfare, the practice with regard to blockade has undergone considerable changes during the last few years, and will no doubt have to be further modified in the future on commercial grounds.

BOARD. (Fr. *Conseil d'administration*, Ger. *Direktorium*, Sp. *Consejo de administración*, It. *Consiglio di direzione e di amministrazione.*)

This is the comprehensive name which is given to the directors of joint-stock companies, the managers of institutions

etc., when spoken of in their collective capacity.

BOARD MEETING. (Fr. *Réunion de directeurs*, Ger. *Direktorenversammlung*, Sp. *Reunión de directores*, It. *Radunanza dei direttori.*)

When the directors of a joint-stock company or the managers of an institution meet for the transaction of business, the meeting is called a "board meeting."

BOARD OF TRADE. (Fr. *Conseil du commerce, département du commerce, ministère du commerce*, Ger. *Handelsministerium*, Sp. *Junta de comercio y navegación*, It. *Ministero di agricoltura, industria e commercio.*)

The Board of Trade is the Government department which superintends all matters relating to the mercantile marine, trade, navigation, and railways. The offices of the Board of Trade are in Whitehall Gardens, London, S.W.

The Board of Trade has a lengthy history. The first committee appears to have been appointed in the reign of James I. It was reconstituted under Charles I, and again under the Commonwealth. In 1660, after the Restoration, Charles II established two Councils, one for trade and the other for the foreign plantations. They were combined under one Commission in 1672. But the Commission was revoked three years later, and the control of trade returned to the Privy Council. In 1695 the Board of Trade and Plantations was created. It was a costly and inefficient body, its incapacity mainly arising from a want of executive power. Its main duty was to collect information and make suggestions to the Secretary of State for the Southern Department, which might or might not be acted upon. It was abolished on the motion of Burke in 1782. From the last-named date until the present time, the Board of Trade has been a Committee of the Privy Council, and consists of a body of great officials with a president. The president is a Cabinet Minister, and is sworn into the Privy Council as President of the Committee of Council for Trade. The simple title Board of Trade was not used to designate the committee until 1862, when by the Harbour Transfer Act it was enacted that "the term 'Board of Trade' shall be taken to mean the Lords of the Committee of Privy Council for the time being appointed for the consideration of matters relating to trade and foreign plantations."

The work of the Board has developed enormously, and it is carried out through the following six departments:—

(1) Bankruptcy. This was established in 1883. At the head is an Inspector-General, and he is assisted by a number of Official Receivers, who are appointed for certain districts. The main duty imposed is to audit the accounts of trustees in bankruptcy, and to supervise their conduct and dealings. This department has also the control of liquidators appointed to wind up insolvent companies.

(2) Commercial, Labour, and Statistical. This department was established in 1832. Its duty is to give advice to other Government departments upon commercial matters, and prepare statistics, accounts, returns and abstracts of shipping, labour, railways, emigration, tariffs, wages, the condition of labour, trade unions, and strikes. It edits the *Board of Trade Journal*, which was instituted in July, 1886, giving details as to customs' tariffs and regulations, information as to trade movements and periodical returns. The Commercial Intelligence branch of the department was opened in 1899. Since 1896 it has also been concerned with the administration of the Conciliation Act, 1896, for the prevention and settlement of labour disputes. Other branches of this department, recently formed, deal with the census of production, and the labour exchanges.

(3) Finance and General. This was established in 1851. It prepares the annual estimates and deals with a large number of funds, such as the General Lighthouse Fund, the Ramsgate Harbour Fund, the Merchant Seamen's Fund, Greenwich Hospital Fund, etc. Other matters which fall to this department include seamen's savings banks, the transmission of seamen's wages at home and abroad, the issue and payment of seamen's money orders, the wages and effects of deceased seamen, the relief of distressed seamen, the expenditure of lighthouse authorities, etc. It also receives, examines, and presents to Parliament the accounts of Life Insurance Companies, and controls the receipt and payment of moneys in connection with the Bankruptcy Estates Account, under the Bankruptcy Act, 1914, and the Companies (Consolidation) Act, 1908. The Patent Office is under this department, and so is the Joint Stock Companies' Registry Office.

(4) Harbours. This department was

divided from the Marine Department in 1866. It has charge of the foreshores belonging to the Crown, and takes care that no injury is done to navigable harbours and channels. Its main duties are connected with harbours and lighthouses, but since 1896 other duties have been transferred to it from the Railway Department, relating to such things as electric lighting and the supply of gas and water. Its fisheries duties have been transferred to the Board of Agriculture.

(5) Marine. It was in 1850 that the business of this department was established, and it was separated from that of the Fisheries and Harbours in 1866. Its main duty is the administration of the Merchant Shipping Act, 1894, which is a consolidation of all the previous legislation relative to merchant shipping.

(6) Railway. This department was established in 1840. Its business is to inspect railways and their works before they are opened for public traffic, to inquire into railway accidents, to approve by-laws, and generally to take an active part in all matters connected with railways which in any way affect the public. The same duties are imposed upon it as far as tramways and canals are concerned. Under this department is the Standards Department, which tests and examines weights and measures used in trade and for scientific purposes.

BOARD OF TRADE RETURNS. (Fr. *Statistique de commerce*, Ger. *Handelsstatistik*, Sp. *Consejo de estádisticas*, It. *Bollettini delle camere di commercio, statistiche commerciali.*)

These returns are the Government statistics of exports, imports, and consumption, which are issued periodically for general information. They are very useful in business, as they show to what extent the exports have exceeded or fallen below the imports in each of the articles enumerated, thereby pointing out the balance of trade, which in a great measure affects the rates of exchange, the bank rate, and the whole trade interests of the country.

BON. This is a French word meaning good, and is a term often found on various documents, such as coupons and bills, which have hence come to be called "Bons."

Bon pour Cinquante Francs, that is, good for fifty francs, is imprinted on coupons attached to Italian rentes. French Treasury Bonds (*Bons du Trésor*) have on their faces *Bon pour Mille Francs*, good for a thousand francs, or whatever the sum may be.

BONÂ FIDE. (Fr. *De bonne foi*, Ger. *bonâ fide*, *in gutem Glauben*, Sp. *De buena fé*, It. *Bonâ fide*, *in buona fede.*)

This is a Latin phrase, signifying "in good faith," as contrasted with *mala fide*, which means "in bad faith."

The phrase is used with practically the same meaning by lawyers and laymen, that is, as implying the absence of all dishonesty, fraud, deceit, wilful misrepresentation, or suppression of the truth. It is a necessary element in the formation of all ordinary contracts, although some, such as insurance, require more than *bona fides*—they are of the class of *uberrimae fidei*, or contracts of the utmost good faith.

In the Bills of Exchange Act, 1882, and the Sale of Goods Act, 1893, the phrase "in good faith" is frequently used, and in the definitions of the terms contained in each Act it is declared that "a thing is deemed to be done 'in good faith' within the meaning of this Act when it is, in fact, done honestly, whether it be done negligently or not."

BOND. (Fr. *Obligation*, Ger. *Obligation*, *Schuldschein*, Sp. *Obligación*, It. *Obbligazione.*)

A bond is a writing of obligation, under seal, whereby a person undertakes to pay a sum of money, or to perform a contract. The party who binds himself is called the obligor, the party who is intended to be benefited by the bond is called the obligee.

The general conditions which attach to the validity of all contracts attach to a bond. Thus, an infant or a lunatic cannot bind himself, by reason of his legal incapacity to contract, though either can take a benefit under a bond. The wording need not be technical, but must not be ambiguous, and there must be due execution and delivery.

A bond is generally subject to a condition, and becomes void upon the performance or non-performance of the condition imposed, as the case may be. The sum inserted in the bond as a penalty is usually double the amount of the sum intended to be secured by the instrument; but in case of forfeiture this cannot be wholly recovered. What can be recovered is the sum actually owing, together with interest, or the amount of the damages actually sustained.

If the condition of a bond is that the obligor shall not do a certain thing under a penalty, the obligor cannot make his election so as to pay the penalty and do the thing. The court will, if applied to at the instance of the obligor, not only make the obligee pay the penalty, but will also restrain him, by injunction, from committing the breach of the condition.

The bond being under seal, the Statute of Limitations does not run against it until twenty years after the right to sue upon it has accrued.

Bonds are sometimes required to insure the due performance of legal or official duties. For example, an administrator is compelled to give a bond for the due administration of the estate which is about to be placed in his hands.

The following is a specimen of a bond given for the payment of money by instalments :—

"*KNOW ALL MEN* by these presents that I, John Jones, of 78, Eldon Road, Southampton, in the county of Hants, General Merchant, am held and firmly bound to Samuel Smith, of Shortland House, Hove, in the county of Sussex, in the sum of one thousand pounds, to be paid to the said Samuel Smith or to his executors, administrators, or assigns, for which payment to be well and truly made I bind myself, my heirs, executors, and administrators firmly by these presents. SEALED with my seal : DATED this 1st day of January, 1920.

Signed, sealed, and delivered by the said John Jones, in the presence of } John Jones.
William Robinson, (LS.)
483, Round Street,
Southampton,
Clerk.

NOW THE CONDITION of the above-written bond or obligation is such that if the above-bounden John Jones, his heirs, executors, or administrators, shall pay unto the said Samuel Smith, his executors, administrators, or assigns the sum of Five hundred pounds by the instalments following (that is to say) the sum of One hundred pounds on the 1st day of April next ensuing, the sum of One hundred pounds, other part thereof, on the 1st day of July next ensuing, and the sum of Three hundred pounds, the residue thereof, on the 1st day of January, 1921 ; and if the said John Jones, his heirs, executors, or administrators shall at the several times hereinbefore appointed for payment of the said several instalments of the said sum of Five hundred pounds pay unto the said Samuel Smith, his executors, administrators, or assigns, interest for the said sum of Five hundred pounds, or such part thereof as for the time being shall remain unpaid, after the rate of Five pounds for every One hundred pounds by the year (such interest to commence and be computed from the day of the date of the above-written bond or obligation), THEN the above-written bond or obligation shall be void, otherwise the same shall remain in full force and virtue." (See *Bonds.*)

BOND CREDITOR. (Fr. *Porteur d'obligation*, Ger. *Obligations-gläubiger*, Sp. *Portador de obligación*, It. *Portatore di obbligazione.*)

When a creditor has his debt secured by a bond given by his debtor, he is known as a bond creditor.

BOND NOTE. (Fr. *Bon d'entrepôt*, Ger. *Begleitschein*, Sp. *Certificado de depósito*, It. *Fede di deposito.*)

This is a printed form filled in by an exporter, and signed by an official of a Custom House, before dutiable goods can be transhipped or removed from a bonded warehouse for export, or even removed from one bonded warehouse to another.

BONDED GOODS. (Fr. *Marchandise entreposée, marchandises non passées en douane*, Ger. *Waren im Zollverschluss, unverzollte Ware*, Sp. *Mercancías en depósito*, It. *Merci in deposito nei magazzini doganali.*)

These are imported goods liable to duty which are deposited in a Government or Bonded Warehouse until the duty upon them has been paid. Such goods are said to be "In Bond," a bond having been signed on behalf of the owners that the duty will be paid when the goods are removed for consumption.

BONDED VAULTS. (Fr. *Voûtes d'entrepôt*, Ger. *Zollkeller*, Sp. *Bodega de depósito*, It. *Cantine doganali.*)

These are underground cellars chiefly used for wines and spirits "In Bond," or upon which the duty has not been paid.

BONDED WAREHOUSE. (Fr. *Entrepôt*, Ger. *Zollniederlage*, Sp. *Almacén de depósito*, It. *Deposito franco, magazzino generale.*)

A bonded warehouse is one in which goods that are liable to duty can be stored or warehoused without payment

of the duty until such time as the same are removed, or, to use the common term, "cleared." (See *Warehousing System.*)

BONDHOLDER. (Fr. *Porteur d'obligations*, Ger. *Obligationsinhaber*, Sp. *Portador de obligaciones*, It. *Portatore di obbligazioni.*)

This name is applied to the person who is the holder of a bond by which his debt is secured.

BONDS. (Fr. *Titres d'emprunt, effets*, Ger. *Anleihepapiere, Wertpapiere*, Sp. *Papeles de empréstito*, It. *Titoli di prestito.*)

The word "bond" has been already referred to in detail, but when the plural form appears the term is used to denote securities, payable to bearer, which can be transferred from one person to another without any formality, and of which the holder for the time being is the recognised owner. The term covers every description of Government or municipal loan, and the debentures or other funded debt of a company, provided the issue is made in bearer form. Shares or preferred or ordinary capital stock, even though issued in the shape of a bearer security, are not termed bonds, but if issued in the manner just named are known as share warrants to bearer or bearer shares. Bonds have attached to them coupons for the payment of interest, and on the due dates for the payment of the interest the proper coupons are detached and presented to be exchanged for cash at the paying bank or institution named.

As bonds are securities payable to bearer and are, therefore, transferable by mere delivery, considerable care is exercised in the printing of them. Some Stock Exchanges by their rules provide special safeguards in the matter of printing. Each bond has a distinctive number printed upon it, as well as upon each coupon attached to it; and when the latter is presented, it is customary for the paying agent to require its lodgment for a certain number of days, generally four, in order that it may be examined before payment is made. When all the coupons have been used up and the bond has not been paid off, a fresh sheet bearing additional coupons, with this same distinctive number, is issued against the surrender of the talon, which is a large coupon designed for this specific purpose forming a part of the bond.

The following is a common form of this species of security :—

DOMINION OF CANADA.
PROVINCE OF MANITOBA.

POUNDS 100 *STERLING* — *POUNDS* 100 *STERLING*

DEBENTURE OF
THE CITY OF WINNIPEG.
DEBENTURE No. 369.

THIS DEBENTURE is one of a series of 500 *like Debentures of* £100 *Sterling, each numbered from* 201 *to* 700, *issued under the Municipal Clauses Acts and By-law number* 543 *of the City of Winnipeg.*

THE CORPORATION OF THE CITY OF WINNIPEG hereby promises to pay to the bearer of this Debenture the sum of

ONE HUNDRED POUNDS
(£100)

Sterling, on the 30*th day of June,* 1961, *at the office of the Bank of Montreal, London, England, and to pay interest thereon at the rate of Four and a half per centum per annum from the date hereof, half-yearly, at the Bank of Montreal, London, England, on the* 1*st day of January and the* 1*st day of July in each year, to the bearer of the Interest Coupon hereto annexed, as they respectively become due, on presentation and surrender thereof to the said Bank, or upon satisfactory proof of ownership and indemnity in case of loss.*

THIS DEBENTURE and the Interest thereon is secured by the special rates charged, levied, and imposed, and to be collected under the above By-law 543, *and the funds from time to time representing the same.*

IN WITNESS WHEREOF the Corporation of the City of Winnipeg has caused these presents to be signed by the Mayor and the Clerk of the said Corporation, and sealed with its Corporate Seal this 30*th day of June,* 1919.

Clerk of Winnipeg.

Mayor of Winnipeg.

CITY OF WINNIPEG,
MANITOBA.

£2 : 5 : 0.

One half-year's Interest due the 1*st January,* 1920, *on Debenture No.* 369, *for Two Pounds Five shillings Sterling.*

Payable at the Bank of Montreal, London, England.

Mayor of Winnipeg.
Coupon No. 1.

Practically all foreign Governments and public authorities, and most of those of the British Dominions also, issue their loans in the form of bearer bonds. Abroad, bearer securities are the general rule; and, in America, nearly all debentures are issued in this form. To meet the wishes of a certain class of investors, some authorities and companies make provision for the registration of bonds as to principal. This means that, upon complying with certain formalities, an individual proprietor may be registered as the owner of the bonds in such a manner that the particular bond cannot be transferred without his signature, but interest continues to be paid against presentation of the coupons.

As to the duties payable on bonds, see *Stamps*.

BONUS. (Fr. *Boni*, Ger. *Bonus*, Sp. *Bono*, It. *Premio, avanzo.*)

This is a special allowance, premium, or gift to the shareholders of a company over and above the ordinary dividend. In this form the "extra dividend," for it is practically that, does not constitute a precedent. In life insurances, a successful office will sometimes, after a certain number of years, give a bonus to the insured, either as a lump sum down, or to be applied in reduction of the annual premium.

BOOK ACCOUNTS. (Fr. *Comptes de livre*, Ger. *Rechnungen*, Sp. *Cuentas*, It. *Conti del libro o registro.*)

These are accounts of debits or credits entered in a book.

BOOK DEBTS. (Fr. *Dettes actives*, Ger. *Buchforderungen*, *Buchschulden*, Sp. *Débitos*, It. *Debiti attivi messi a libro.*)

Book debts are debts due and accruing due to a person in the ordinary course of his trade or business, and which are usually entered by a trader in his trade books.

Book debts are not personal chattels within the Bills of Sale Acts (*q.v.*), but trade book debts are deemed to be within the order and disposition of a trader who becomes bankrupt, provided there has been no proper assignment of the debts previous to the commencement of the bankruptcy.

Book debts being *choses in action* may be assigned, but the assignment must be in writing, signed by the assignor, must be absolute, and must be notified to the debtor. The assignee takes the assignment subject to any equities affecting the assignor, that is, if the debtor is entitled to set off anything against the claim of the assignor, he is also able to set it off against the assignee when an assignment has been made.

BOOK PACKETS. (See *Mail.*)

BOOK-KEEPING. (Fr. *Comptabilité, Tenue des livres*, Ger. *Buchführung*, Sp. *Teneduria de libros*, It. *Tenuta dei libri, contabilita, ragioneria.*)

The art of keeping accounts, and recording in a regular, concise, and accurate manner the business transactions of merchants and others, so as to show the effect of the transactions upon the financial position of the parties is known as "book-keeping."

It is believed that book-keeping originated with the Venetians in the fifteenth century, the first treatise on the subject being written by Lucas Pacioli, usually called Lucas de Burgo, a monk of the Minorite order. His system is known as the "Italian method," and as it was so perfect and complete from the first, little change or improvement has been made upon it up to the present time. It is generally known as book-keeping by double entry.

Double entry is so called because in this system of book-keeping the record of every transaction involves two entries, one relating to the giver, and the other to the receiver; or, in other words, one relating to the creditor, and the other to the debtor, the amount of each entry being, of course, identical. "Every debit has its corresponding credit."

The number of books to be used will naturally depend largely upon the nature of the business. Some businesses require many subsidiary books for a full and complete record of all transactions. But three books are absolutely essential for the carrying-on of a double-entry system of book-keeping, viz., the waste book, the journal, and the ledger.

The other system of book-keeping is known as single entry. It is utterly devoid of scientific method, and gives a very incomplete record of the transactions it deals with. It answers, however, sufficiently well for the purposes of a small trader or a professional man, when the accounts are not of a complex nature.

BOOM. (Fr. *Hausse rapide*, Ger. *Aufschwung*, Sp. *Gran demanda, alza rápida*, It. *Rialzo improvviso e rapido.*)

Whenever there is any sudden or increased activity in trade and, consequently, a greater demand for all kinds of commodities, there is said to be a "boom."

BOTTOM. (Fr. *Navire*, Ger. *Schiff*, Sp. *Quilla*, It. *Nave.*)

The term "bottom" is often used in commercial circles to denote a ship, as when goods are spoken of as imported in foreign bottoms, or in British bottoms.

BOTTOMRY BOND. (Fr. *Contrat à la grosse*, Ger. *Bodmereibrief*, Sp. *Hipoteca del buque*, It. *Prestito a cambio marittimo, prestito alla grossa ventura.*)

A bottomry bond is a contract in the nature of a pledge, whereby the "bottom" or whole of a ship is charged or made liable (or, as it is called, "hypothecated"), for the repayment of money borrowed for the necessary requirements of the ship in order to enable the voyage to be brought to a satisfactory conclusion. The bond is signed by the master, and becomes payable within a limited time of the ship's safe arrival in port.

The peculiar feature of a bottomry bond is that the repayment of the money borrowed is dependent upon the safe arrival of the ship at her destination; in fact, the bond is not a good one if there is a covenant to repay the money in any event. As the risk is great the rate of interest charged is proportionately high. On the safe arrival of the ship, the holder of the bond has a claim upon the vessel which is preferred to every other, except wages earned subsequently to the execution of the bond, and salvage.

If there are several bottomry bonds, the last takes priority over all the rest, and the first is last. The reason for this rule is that it was the money expended upon the ship raised by the last bond which has made the successful termination of the voyage possible, and that without it all prior bondholders would not have been entitled to anything.

This power of hypothecation is so formidable that it cannot be resorted to until every other chance of raising money has failed, and communication with the shipowner is impossible, or so difficult as to be likely to prejudice the safety of the ship by the delay that will be occasioned. The lender must also exercise care in making the loan, and gather from all the circumstances of the case what are the powers of the master. Moreover, the amount which is borrowed on a bottomry bond must not exceed the sum which is required for the actual necessities of the ship.

On account of the ease and rapidity of making remittances from one country to another at the present day, and the heavy premium demanded for the advance of money on bottomry, this very ancient method of business is almost obsolete. In the language of a well-known judge: "The electric telegraph has almost killed bottomry bonds."

The validity of a bottomry bond depends upon the law of the flag, that is, the law of the country to which the ship belongs.

When the cargo of a ship is hypothecated instead of the ship itself, the bond is called a "respondentia bond." (See *Respondentia.*)

BOUGHT NOTES AND SALE NOTES. (Fr. *Notes de contrat*, Ger. *Schlussscheine*, Sp. *Notas de contrato*, It. *Note di compra e vendita.*)

These are the contracts which merchants, brokers, and the like, send to each other as soon as a purchase or sale has been arranged between them. They specify the quantity of goods sold (or bought), the price, terms of payment, and all other particulars as to place and time of delivery, etc. They are also known as "Contract Notes."

BOUNTIES. (Fr. *Primes d'exportation*, Ger. *Ausfuhrpramien*, Sp. *Bonificaciónes de exportación*, It. *Premios d' esportazione.*)

Bounties are premiums paid by Governments to producers and exporters of certain goods with a view of encouraging and developing an industry by enabling them to compete on most favourable terms with their foreign rivals. Bounties must be carefully distinguished from Drawback.

BOURSE. (Fr. *Bourse*, Ger. *Börse*, Sp. *Bolsa*, It. *Borsa.*)

The place of business, or exchange, where merchants meet together for the transaction of business, is often called The Bourse.

BRAND. (Fr. *Marque*, Ger. *Brand, Marke*, Sp. *Marca*, It. *Marca.*)

This is a trade mark made by the impression of a hot iron on casks or packing cases, usually for the purpose of indicating the quality of the article; for example, a "fine brand" of cigars.

BREAKAGE. (Fr. *Réfaction pour casse*, Ger. *Bruch*, Sp. *Fractura*, It. *Rifusione, indennità per rotture o avaria.*)

This is a term used in commercial circles to signify an allowance made for goods that are broken.

BREAKING BULK. (Fr. *Disposer d'une partie*, Ger. *Teilverkauf*, Sp. *Vender una parte*, It. *Disporre di una parte.*)

The meaning of the phrase to "break bulk" is to open a parcel or consignment

of goods for the purpose of taking samples or of selling a part of the same.

BRIEF. (Fr. *Dossier, précis,* Ger. *Klageschrift, Vorladungsschreiben,* Sp. *Memorial, mandato judicial,* It. *Riassunto, compendio.*)

This term, which is derived from the Latin *brevis*, means the short account of a client's case which is drawn up by a solicitor for the use of counsel in the conduct of an action.

BRITISH SHIP. (Fr. *Vaisseau anglais,* Ger. *britisches Schiff,* Sp. *Buque británico,* It. *Nave britannica.*)

In order to constitute a vessel a British ship, it must be owned exclusively by British subjects, natural born or naturalised, or by a corporation established under and subject to the laws of some part of the British dominions, and having its principal place of business within the British dominions. An alien was expressly excluded under section 14 of the Naturalisation Act, 1870, from the privilege of holding property in a British ship; and this disqualification has been continued by section 17 of the British Nationality and Status of Aliens Act, 1914, an Act which has repealed and re-enacted, in a somewhat altered form, the main provisions of the Act of 1870.

The anomalous position of companies composed exclusively, or almost exclusively, of alien enemies, and yet being British according to law, attracted much attention during the Great War which began in 1914. It was found in various cases tried before the Prize Court that there were many British ships owned by companies registered in England whose shareholders were largely or wholly of alien origin. A recent decision of the House of Lords has considerably altered this absurd state of the law, and it now appears that the courts may inquire into the special circumstances of a case and refuse to allow alien enemies to shelter behind this anomaly.

In addition the ship must be registered as a British ship. The registration is dispensed with, under certain conditions, in the case of ships of small tonnage. It may be effected, on the application of the owner or his agent, at any port within the British dominions, and the port is then known as the port of registry.

Many preliminaries must be fulfilled before an application for registration can be made. The name of the vessel must be painted or marked on the bows, and her name and port of registry on the stern. The official number and tonnage must be cut in on her main beam. Her draught must be indicated by letters or figures on the stern post. A "certificate of survey" must be handed in, such certificate containing the information necessary to identify the ship, and, on the first registration, a "builder's certificate," giving additional particulars. All these requirements are set out in sections 7–10 of the Merchant Shipping Act, 1894. The owner must also make a declaration to the effect that there are no reasons existing, as far as he knows, for disentitling the vessel to be registered as a British ship. The name of the master must also be stated.

All these particulars are entered in what is called the "Register Book," and the registrar, on the completion of the registration, grants a certificate of registry to the applicant. Any change of ownership must be indorsed upon the certificate as soon as possible after such change.

Unless a vessel is registered as a British ship she cannot claim any of the privileges and advantages attaching to such a status, and cannot use the British flag, under penalty of forfeiture.

The provisions as to the ownership of a British ship are as follows:—

(1) The property in a ship shall be divided into sixty-four shares.

(2) Not more than sixty-four individuals shall be entitled to be registered at the same time as owners of any one ship; but this rule shall not affect the beneficial title of any number of persons, or of any company represented by or claiming under or through any registered owner or joint owner.

(3) No person shall be entitled to be registered as owner of a fractional part of a share in a ship; but any number of persons, not exceeding five, may be registered as joint owners of a ship, or of any share or shares therein.

(4) Joint owners shall be considered as constituting one person only as regards the persons entitled to be registered, and shall not be entitled to dispose in severalty of any interest in a ship, or in any share therein, in respect of which they are registered.

(5) A corporation may be registered as owner by its corporate name.

No notice of any trust, express, implied or constructive, may be entered in the register book or received by the registrar. The registered owner of the ship or of a share therein has absolute power

to deal with his interest, or dispose of it in the manner provided by the Act.

When a ship is owned by several persons the management is generally left to an individual who is known as the "ship's husband." He has complete control over the use and employment of the ship. If this course is not adopted, the will of the majority of the part owners governs the use and employment, though, before any voyage can be undertaken to which the minority object, an indemnity must be given by the former to the latter to the extent of the latter's interest. If, then, the ship is lost, the minority are secured; but if she returns in safety they are not entitled to any share in the profits of the voyage. To avoid difficulties of this kind, it is the common practice for joint owners, when no ship's husband is appointed, to agree expressly upon the terms by which they will consent to be bound.

As to the transfer and sale of a British ship, see *Bills of Sale (Shipping)*.

BROAD ARROW. (Fr. *Empreinte, la grande flèche*, Ger *breitkopfiger Pfeil*, Sp. *Contraseña*, It. *Contrassegno, marca.*)

This is the Government mark, thus ↑, stamped upon or cut in all solid materials used in Government ships or dockyards, in order to prevent the theft of or wrongful dealing with stores.

BROKER. (Fr. *Courtier*, Ger. *Makler*, Sp. *Corredor*, It. *Mediatore, sensale.*)

A broker, who is a mercantile agent within the meaning of the Factors Act, 1889, is an agent who is employed to buy or to sell goods or merchandise for other people. His employment is primarily to establish privity of contract between two parties. Unlike a factor, he is not entrusted with the possession of the goods or merchandise, and cannot sue or act in his own name. As he has not possession he has no right of lien; but there is an exception in the case of an insurance broker, who can retain the policy of insurance for the general balance due to him.

A broker must act strictly according to the instructions given to him, otherwise he forfeits his right to remuneration, or, as it is called, brokerage. He must use his best skill in his work, and he cannot delegate another to do the work for him.

The usual mode of dealing is for the broker to make entries of the terms of the contract in a book, which entries are signed by him, and then to send particulars to both parties. The document sent to the buyer is called the "bought note," and that sent to the seller is called the "sold note." If these documents agree the terms of the contract are defined. If they differ—and there is no signed entry in the broker's book—the contract may be void. Of course, the broker is the agent of both parties to sign the contract in order to satisfy the Statute of Frauds and the Sale of Goods Act.

A broker (Fr. *Agent de change*, Ger. *Borsenmakler*, Sp. *Agente de bolsa*, It. *Agente di cambio*) is also the person who is employed on the Stock Exchange to act as the middleman between the stockjobber and the public. (See *Stockbroker.*)

BROKERAGE. (Fr. *Charge de courtier, courtage*, Ger. *Kourtage, Maklergebühr*, Sp. *Corretaje*, It. *Mediazione, senseria.*)

This is the name given to the remuneration or reward paid to a broker for carrying out the sale or purchase of goods, shares, etc. It almost invariably takes the form of a commission or percentage of the price of the subject matter of the contract.

As to the scale of charges under the name of brokerage made in connection with the sale of stocks and shares, see *Stock Exchange*.

BROKERS' CONTRACT NOTES. (Fr. *Notes de contrat*, Ger. *Schlussscheine*, Sp. *Certificados del corredor*, It. *Bollette di contratto dei sensali.*)

These are documents signed by brokers and sent to their principals as soon as they have sold or bought goods on their behalf and according to their instructions. The note sent to the buyer is called the "bought note," that sent to the seller is called the "sold note." The notes should be precisely the same, except that the word "bought" is in one, and "sold" in the other.

BROKERS' ORDERS. (Fr. *Permis d'embarquement*, Ger. *Verschiffungsinstruktionen*, Sp. *Órdenes de correduría*, It. *Mandati o permessi d'imbarcare.*)

These are indorsements of shipbrokers on receiving notes, authorising certain goods to be brought alongside a ship in barges, and requesting the officer in charge of the vessel to take them on board.

BROKERS' RETURNS. (Fr. *Renvois de courtiers*, Ger. *Schiffszettel*, Sp. *Estadística del corredor*, It. *Bollettini per il mediatore.*)

Brokers' returns are lists sent to the shipbrokers, either daily during the time

when vessels are receiving goods, or as soon as the vessels have finished taking in their cargoes, showing all the merchandise which has been put on board. These lists are kept by the shipbrokers and are useful for the purpose of reference when bills of lading are issued, or other documents drawn up and a check is necessary.

BUCKET SHOP. (Fr. *Coulisse*, Ger. *Winkelborse*, Sp. *Bolsin*, It. *Borsa di contrabbando.*)

This is a slang term applied to the so-called business places of certain firms and institutions which are run by an unscrupulous class of outside brokers, that is, persons who are not members of the Stock Exchange, and which are gambling concerns pure and simple, generally of the most fraudulent type.

BULL. (Fr. *Haussier*, Ger. *Haussier*, Sp. *Alcista*, It. *Giuocatore di borsa al rialzo.*)

A speculator who contracts to buy stocks or shares in the expectation of being able to sell them at a higher price before the next settlement on the Stock Exchange, is known as a "bull." The name is used in contradistinction to "bear," that is, a person who speculates for a fall by selling stocks or shares which he does not possess, with a view to making a profit when the time for liquidation arrives. (See *Bear.*)

BULLION. (Fr. *Lingot, matières d'or et d'argent*, Ger. *Edelmetall*, Sp. *Oro (o plata) en barras*, It. *Oro e argento in verghe.*)

Originally this name was given to the Mint where metals were converted into stamped money. This appears from statutes of the reigns of Edward III. and Henry IV. The name is now confined to gold and silver, considered simply as merchandise in contradistinction to specie or coin.

BUNKER. (Fr. *Soute à charbon*, Ger. *Kohlenbunker*, Sp. *Carbonera*, It. *Carboniera.*)

This is the part of a steamship which is set apart for the storage of coal which is to be used on a voyage.

BUNKERING. (Fr. *Charger de charbon*, Ger. *Kohlen einnehmen*, Sp. *Cargar carbon para las máquinas*, It. *Caricare le carboniere.*)

This is a term used in the coal trade and means the loading of the bunkers of a steamship with coal for her use on a voyage. It also means the time occupied in carrying out the work.

BUOY DUES. (Fr. *Droits de bouée*, Ger. *Tonnengeld*, Sp. *Derechos de boya*, It. *Diritti di gavitello.*)

The Trinity House (*q.v.*) claims certain dues from all ships entering ports where buoys are placed. These buoy dues are sometimes collected as a tonnage, varying from ½*d.* to 2*d.* per ton; sometimes as a payment on entering or leaving the port, and in some cases as a rate on the vessel, from a few pence to a few shillings. Many coasting vessels pay 5*s.* per annum, whatever number of voyages they make.

BURDEN or **BURTHEN.** (Fr. *Contenance*, Ger. *Lästigkeit eines Schiffs*, Sp. *Capacidad*, It. *Capacità, portata.*)

This term signifies the carrying capacity of a vessel. Owing to peculiar build, etc., there is often a great difference between the registered tonnage of a vessel and the weight of goods which can be stowed on board.

BUREAU-DE-CHANGE. French. (Ger. *Wechselkontor*, Sp. *Cambio de monedas*, It. *Banco di cambio.*)

This is the name of a shop or bank where foreign money is exchanged for the specie of the country in which the bureau is situated, or *vice versâ.*

BUSHEL. (Fr. *Boisseau*, Ger. *Scheffel*, Sp. *Fanega*, It. *Staio.*)

A bushel is a measure of capacity used for grain, fruit, and other dry goods. The imperial bushel measures 2218·2 cubic inches, and contains 8 gallons.

There are also local measures called bushels, which vary considerably.

The weight of the contents of a bushel will naturally vary according to the article measured.

BUSINESS NAMES ACT, 1916. (See *Partnership.*)

BUYERS OVER. (Fr. *Excédent d'acheteurs sur vendeurs*, Ger. *mehr Geld als Briefe*, Sp. *Mayoria des compradores*, It. *Eccedenza di compratori o acquirenti.*)

This is a market term meaning that there are buyers but no sellers, or more buyers than sellers.

BUYING IN. (Fr. *Acheter, racheter*, Ger. *einkaufen*, Sp. *Comprar*, It. *Ricomprare, comprare.*)

If a seller has not delivered his securities to a buyer on the date stipulated, the latter can enforce delivery by buying in against the seller, and the seller is then responsible for all charges and expenses to which the buyer is put in getting the delivery of his purchase. On the London Stock Exchange a seller is allowed ten days after the settlement before the buying in is officially enforced, but the time allowed and the manner of enforcing delivery vary on other exchanges according to the rules in force.

BY-LAW or **BYE-LAW.** (Fr. *Statut, règlement*, Ger. *Statut*, Sp. *Estatuto*, It. *Statuto, legge privata.*)

This is a private law or order made by any society, corporation, or company, in contradistinction to the law of the country. In recent times it has become the settled policy of the Legislature to allow the utmost latitude to local bodies to make by-laws which are specially suitable for the peculiar conditions of the place or places affected; and so long as the by-laws do not transgress the general powers conferred by the Act of Parliament under which they are framed, they have the same effect as any statutory rule. If, on the other hand, the by-laws are made in excess of the powers conferred, they are *ultrà vires* and have no authority at all.

The meaning of the word "by" is town or township, as shown in such names as Whitby, Derby, etc. A by-law, therefore, was originally a town or township law, made in the interest of good government.

C This letter occurs in the following abbreviations :—

- C/-, Currency or Coupon.
- C/A, Capital Account.
- C/B, Cash Book.
- C/P, Charter Party.
- C. & F., Cost and Freight.
- C.F.I., Cost, Freight, and Insurance.
- C.O.D., Cash on Delivery.
- Cf. (Lat.) *confer*, Compare.
- Cg., Centigramme..
- Cha., Chain.
- Cl., Centilitre.
- Cm., Centimetre.
- Cp., Compare.
- Cr., Creditor.
- Cur., curt., Current.
- Cum d/- With Dividend.

CABLE. (Fr. *Câble*, Ger. *Kabel*, Sp. *Cable*, It. *Cavo sottomarino, gomena.*)

This word has several meanings.

(1) A strong rope or chain for holding a ship at anchor.

(2) A metallic core surrounded by insulating material, now of such importance in oceanic telegraphy.

(3) A message sent by submarine cable.

CABLEGRAM. (Fr. *Télégramme sous-marin, câblegramme*, Ger. *Kabeltelegramm*, Sp. *Cablegrama*, It. *Cablegramma, telegramma per il cavo.*)

A cablegram is a message sent or received through a telegraph cable.

Since the establishment of the first cable between Dover and Calais, in 1851, cables have been laid down connecting almost the whole of the civilised world. A large portion of these are owned by different Governments, though many are in the hands of public companies.

The rules and regulations as to cablegrams, as well as the rates, are subject to fluctuation, and the only reliable information at any particular time is to be found in the *Post Office Guide*.

CABLE TRANSFERS. (Fr. *Transferts télégraphiques*, Ger. *telegraphische Auszahlung*, Sp. *Transferencias por cable*, It. *Tassa per vaglia telegrafici sottomarini.*)

The meaning of this term is the same as telegraphic transfers (*q.v.*).

CALL. (Fr. *Appel de fonds*, Ger. *Einzahlungsaufforderung*, Sp. *Demanda llamada*, It. *Domanda chiesta.*)

In one sense this word means an instalment of the capital of a joint-stock company which a shareholder is called upon to pay.

If the prospectus does not provide for the subscription of the whole of the capital of the company within a certain date after its formation, the articles of association must contain a clause or clauses dealing with the manner in which the directors may call upon the shareholders to pay either a portion or the whole of what is due upon the shares held by each. The call must be made in strict accordance with the articles, as any irregularity will entitle a shareholder to resist payment. Thus, it must be made by duly appointed and duly qualified directors, and the proper length of notice must be given. Again, the call must be regular and *bonâ fide*, and made in the interest of the company. If the power is exercised wrongfully for the directors' own ends, or for other indirect purposes, there is an abuse of authority, and a shareholder may restrain the call by injunction. In order to succeed, however, a very strong case must be made out, as the court is not too eager to interfere with the discretion of the directors in the matter of calls.

There is generally a clause in the articles which provides for the forfeiture of the shares in respect of which default has been made in the payment of a call. It is an abuse of their power for directors to make a call with the object of enabling a shareholder to escape his responsibility by forfeiting the shares which he holds. Partly paid shares which have

been forfeited can be sold by the company, with the benefit of the amount paid up upon them before forfeiture.

Payment of calls may be enforced by action, and it is a breach of trust on the part of the directors if they do not take reasonable steps to obtain the money due. It is now the common practice to sue for the amount of the call by a specially indorsed writ, and proceed under what is known as Order XIV. The estate of a deceased member, so long as his name remains on the register, is liable for calls.

Every call is in the nature of a specialty debt, and a company can sue upon it any time within twenty years.

When a company is being wound up, the liquidator is empowered, with the sanction of the committee of inspection, or by leave of the court when there is no committee, to make a call upon the contributories, that is, the persons who were members of the company at the commencement of the winding-up, or, in certain cases, those who have ceased to be members within a year of the winding-up, to supply funds rateably in order to satisfy the debts of the company.

CALL. (Fr. *Droit d'achat, prime*, Ger. *Prämiengeschaft*, Sp. *Derecho de compra*, It. *Diritto di compra.*)

The word "call," when used in another sense, is a Stock Exchange term, which in full is a call option. It is a mode of dealing in stocks, shares, or other commodities, whereby an operator, on payment of a certain premium, is entitled to purchase the commodity or shares in question at a given price, within a certain limited time. The profit to be gained depends solely upon the movement of the market, and the loss is limited to the amount of the premium. The opposite of a call option is a put option.

CALL MONEY. (Fr. *Emprunt remboursable sur demande*, Ger. *tagliches Geld*, Sp. *Dinero en depósito para retirarlo sobre demanda*, It. *Prestito rimborsabile a domanda.*)

Call money is money lent by bankers and others to bill-brokers at an agreed rate of interest, and repayable at a moment's notice.

CALL OF MORE. (Fr. *Droit d'acheter davantage au même prix*, Ger. *Nachforderungsgeschäft*, Sp. *Derecho de comprar al mismo precio*, It. *Diritto di ulteriore acquisto allo stesso prezzo.*)

A call of more is the right to call at a certain date for an amount of stock equal to that which has just been bought. In some markets this is called an "option to double."

CALLED BOND. (Fr. *Bon sorti et primé*, Ger. *ausser Kurs gesetzte Wertpapiere*, Sp. *Bonos premiados*, It. *Obbligazioni estratte e rimborsate.*)

This is a bond which has been called in for payment on a certain date, after which time it ceases to bear interest.

CAMBIO. (Fr. *Cambio*, Ger. *Kambialrecht*, Sp. *Cambio*, It. *Cambio.*)

This term, which is derived from a Low Latin word, meaning "I change," is in use in the mercantile phraseology of Holland in the sense of exchange.

CAMBIST. (Fr. *Cambiste*. Ger. *Wechsler*, Sp. *Cambista*, It. *Cambista.*)

This word is derived from the Italian, *cambista*, and signifies a banker or money-changer. It is applied to a person who exchanges foreign money, or deals in foreign notes or bills of exchange. It also means the books in which the weights, measures, and moneys of different countries are converted into those of one particular place.

CANAL. (Fr. *Canal*, Ger. *Kanal*, Sp. *Canal*, It. *Canale.*)

A canal is an artificial channel filled with water originally intended only for the passage of barges and small vessels, but in modern times constructed on a great scale so as to allow of the navigation of the largest vessels.

The advantages attached to canal transit are :—

(1) The method of carriage is so free from vibration to the articles carried that practically no damage is likely to take place in transit. There is neither pitch nor toss as at sea, and there is a total absence of the shaking so common on railways. Canal traffic is especially valuable for the carriage of coal.

(2) In the case of goods for shipment or *vice versâ*, canal boats can go direct to the ship's side, without the necessity of going into dock, and without transhipment.

(3) The cost of carriage is much cheaper by water than by rail.

The great disadvantage as compared with railway transit is less speed. But this only arises when there are direct fast services of express goods trains. In many cases the railway advantage is nothing, but there is a saving of time when it comes to delivery.

The canal system is much more extensively used on the Continent of Europe than in Great Britain, in fact,

canals in England particularly began to fall into disuse when railways were introduced. Recently there has been an agitation for a revival of this species of water communication, and a Royal Commission was appointed in 1906 to inquire into the whole matter.

CANAL TOLLS. (Fr. *Péages de canal*, Ger. *Kanal-abgaben*, Sp. *Derechos de canal*, It. *Diritti di canale*.)

These are the charges which are made for the use of canals.

CANCEL. (Fr. *Annuler*, Ger. *annullieren*, Sp. *Cancelar*, It. *Annullare*, *cancellare*, *soldare*.)

The precise meaning of this word is to do something with a document so as to render it of no legal effect. In commercial matters it is the usual custom to write the word "cancelled" across the document, and to follow with the signatures of the parties.

CANDLEMAS DAY. (Fr. *Jour de chandeleur*, Ger. *Lichtmesstag*, Sp. *Día de candelaria*, It. *Giorno di candelara*.)

In the calendar this falls on the 2nd February, and is one of the Scottish Quarter Days.

CAPITAL. (Fr. *Capital*, Ger. *Kapital*, Sp. *Capital*, It. *Capitale*.)

In an economic sense, capital is defined as that portion of wealth which is set aside for future production. It is therefore immaterial in what the wealth of a particular person consists. No portion is capital unless there is an intention on the part of the owner to put it apart for the purpose of reproduction. Unused or unemployed wealth is not capital.

For the sake of distinction capital is divided into fixed and circulating, positive and negative.

Fixed capital is that portion of wealth which is expended upon land, buildings, railways, etc. Nothing can really be fixed, because there must be the inevitable wear and tear which require ultimate replacement, but the name is convenient as distinguishing that portion of wealth which is not exhausted in one act of reproduction from that which is, and is called circulating capital, because it needs constant renewal.

Positive capital is that portion of wealth which is represented by money, buildings, stock-in-trade, and all material objects, whilst negative capital consists in credit, such as the right to demand payment for a debt.

In a commercial sense the whole of the property and assets of a business undertaking constitute its capital. In a partnership it is the amount which the partners jointly subscribe for the carrying on of the undertaking, and in a joint-stock company it is the sum subscribed by the shareholders for the purpose of being applied to the establishment or extension of the company's business.

In the case of a joint-stock company, the sum which it is proposed to raise as capital is named in the memorandum of association, and this is called the "nominal," "authorised," or "registered" capital of the company. When the whole of the capital is not taken up, that which is represented by the number of shares held by the members is called the "issued," or "subscribed" capital, the remainder being "unissued." That portion of the issued capital which is actually paid by the members of the company is called the "paid-up" capital, the remaining portion for which the shareholders are liable being known as the "unpaid," or "uncalled," capital.

A limited company may, under section 59 of the Companies (Consolidation) Act, 1908, by special resolution declare that any portion of its capital which has not been already called up shall not be capable of being called up except in the event of, and for the purpose of, the company being wound up, and thereupon such portion of capital shall not be capable of being called up, except in the event of, and for the purposes of, the company being wound up.

Since a sole trader, or the partners in a partnership business, is or are liable for the whole of the indebtedness of the concern, he or they may increase or reduce his or their capital at will. A joint-stock company can only do either of these things by adopting a special form of procedure. In order to increase the capital a special resolution must be passed to that effect, unless provision has been made for an increase by the articles of association. If it is desired to reduce the capital of the company, a petition must be presented to the court for the purpose, and the permission will not be granted unless good cause is shown why the reduction should be made, and unless the court is satisfied that the interests of all existing creditors are safeguarded. Even when permission is obtained to reduce capital, the company will generally be compelled to add the words "and reduced" to its name for such period as the court may direct. This is for the protection of those who may afterwards have business relations

with the company, and who are entitled to know what is the financial standing of the concern.

CAPITAL ACCOUNT. (Fr. *Compte-capital*, Ger. *Kapitalkonto*, Sp. *Cuenta de capital*, It. *Conto di capitale.*)

In the statement of the financial affairs of great public companies, the capital account is that which is concerned with the capital stock of the company. In railway concerns, for example, the money obtained for shares, or stock, and upon debentures, constitutes the capital of the railway company, and serves as the source whence the directors may obtain the means of purchasing land, locomotives, rails, carriages, and everything else necessary for the working of the line. Entries concerning the money and the proceeds of the money will be made on opposite sides of the account, the latter, with an allowance for wear and tear, always being kept at such a height as to balance the former. Upon the commencement of business, the opening of the railway for traffic in the case just suggested, another account is commenced, called the revenue account, which is kept totally distinct from the capital account.

CAPITALISATION. (Fr. *Capitalisation*, Ger. *Kapitalisierung*, Sp. *Capitalización*, It. *Capitalizzazione.*)

This is the act of converting into capital. The corresponding verb is "capitalise" (Fr. *Capitaliser*, Ger. *kapitalisieren*, Sp. *Capitalizar*, It. *Capitalizzare*).

CAPITALISTS. (Fr. *Capitalistes*, Ger. *Kapitalisten*, Sp. *Capitalistas*, It. *Capitalisti.*)

Those are persons who have sums of money sunk in trade or advanced in speculation, or who possess a large sum of ready money available for use in trading.

CAPTAIN'S ENTRY. (Fr. *Déclaration du capitaine*, Ger. *Deklaration des Kapitans*, Sp. *Declaración del capitán*, It. *Dichiarazione del capitano per la dogana.*)

This is a provisional entry passed by the captain of a ship, when it is desirable to discharge the whole of the cargo at some particular place, or in cases where the merchant has omitted to pass the prime entry within the prescribed time.

CAPTAIN'S PROTEST. (Fr. *Protêt du capitaine*, Ger. *Protest des Kapitäns*, Sp. *Protesta del capitán*, It. *Protesto del capitano.*)

When a ship or cargo has been damaged on a voyage, it is the duty of the captain on arriving in port to make a declaration or protest giving details of the same.

CARAT. (Fr. *Carat*, Ger. *Karat*, Sp. *Quilate*, It. *Carato.*)

The seeds of the Abyssinian carat-flower, called carats, being very equal in size, were formerly used in weighing gold and precious stones. At the present day, the carat as applied to gold signifies its fineness and purity. Thus, if the piece tested is all gold, it is said to be 24-carat gold. The gold of the English coinage, from the necessity of using a small portion of alloy to harden it, is 22-carat gold; if only half of a piece of metal is gold, it is said to be 12-carat gold, and so on. In the weighing of diamonds the carat is used, but then as a weight and not as a measure of fineness. It is equal to four diamond grains, or 3·17 grains troy, and is divided into various smaller weights.

CARGO. (Fr. *Cargaison*, Ger. *Ladung, Fracht*, Sp. *Carga*, It. *Carico.*)

This is the general name for all the goods and merchandise carried on board a trading vessel. The "deck-cargo" is that portion which is carried on deck, and is not usually included in the policy of marine insurance. The "cargo-book" records the names of the vessel, the owner, the shippers and consignees, the ports of departure and destination, the time of departure, and other particulars for the inspection of the officers of the Custom House.

A person who is often sent with a ship in charge of the cargo, and who is authorised to dispose of it to the best advantage, is called the "super-cargo."

CARGO BOOK. (Fr. *Livre d'entrée et de sortie*, Ger. *Ladebuch*, Sp. *Libro de entradas y salidas*, It. *Registro dei carichi.*)

A cargo book is a book that is kept by shipbrokers, containing the weight, mark, numbers, and measurement of all goods taken on board ship, and stating whether they were received by land or by water.

CARRIAGE. There are three senses in which this word is used:—

1. (Fr. *Voiture*, Ger. *Wagen*, Sp. *Carruaje*, It. *Vettura.*)

The vehicle in which goods are conveyed.

2. (Fr. *Transport*, Ger. *Beförderung*, Sp. *Transporte*, It. *Trasporto.*)

The act of conveyance.

3. (Fr. *Prix de transport*, Ger. *Transportkosten*, *Fracht*, Sp. *Acarreo*, It. *Prezzo di vettura.*)

The cost of conveying goods.

CARRIER. (Fr. *Voiturier*, Ger. *Frachtführer*, Sp. *Portador*, It. *Spedizionière.*)

A common carrier is a person who undertakes as his particular business the carriage for hire of goods from place to place, for any persons who choose to employ him. Such are the persons who convey goods from town to town, or country to country, by carriages, barges, or ships. Railway companies are only common carriers to the extent to which they carry goods generally by profession. But a person who conveys passengers only is not a common carrier, nor is the person who carries casually under a special contract.

Duties of Common Carriers.—A common carrier is legally bound to carry goods of the class he professes to carry for any person who offers them for that purpose, and who is willing to pay the usual and reasonable charges for the same. In the absence of a special contract he must carry by the ordinary or reasonable route, though not necessarily the shortest, even when he is entitled by statute to charge a mileage rate. He must also deliver the goods without unreasonable delay.

His duty is to deliver to the consignee at the place where the consignee desires, or, if no destination is named by the consignee, at the place directed by the consignor.

A common carrier is not compelled to take goods if his carriage is already full, nor if the goods are not of the character which he professes to carry. Moreover, he can decline to accept goods which would subject him to extraordinary risks. By statute he may refuse to carry articles of a dangerous nature, such, for instance, as nitro-glycerine.

Liability at Common Law.—The liability of a common carrier at common law is very great. The carrier is presumed to undertake to carry safely and securely. He is, in fact, in the position of an insurer. And the liability lasts as long as the goods are in his custody, that is, not only during transit, but for a reasonable time afterwards, until the goods are delivered to the consignee. After the lapse of a reasonable time—the length of which depends upon the circumstances of the case—the carrier is only liable for negligence unless it is otherwise agreed between the parties.

This heavy liability, arising from any cause, is subject to three exceptions at common law. The first is the "act of God," by which is understood some unforeseen accident or natural cause which could not have been prevented by any reasonable foresight. The second exception is an act of the King's enemies, and the third is that which arises from any "inherent vice" in the goods carried. The term "inherent vice" has a wide meaning, and includes natural deterioration and bad packing. Also if special care is required in the conveyance of goods, the carrier must be informed of the fact in order to fix him with liability.

Except in so far as the common law has been modified by statute, the liability of the common carrier remains what it was. But it was always open to the parties to make special terms limiting that liability. For this purpose express notice was necessary. But if it could be shown that a general notice of limitation of liability had been brought home to the consignor, it was sufficient. If, for example, when goods were delivered by the consignor to the carrier, a ticket with general conditions printed upon it was handed to the consignor, there was strong evidence that the special conditions were known and approved. But such evidence was not and is not, conclusive. Very difficult questions arise when this matter of notice comes before the courts, and some of the cases upon the subject are apparently irreconcilable. It should, however, be noticed that any agreement or condition exempting the carrier from liability for any loss or damage arising from wilful misconduct or gross negligence, is void.

Land Carriers Act, 1830.—This was the first Act limiting the common law liability of carriers. It applies only to carriers by land, or, if the carriage is partly by land and partly by sea, as long as the goods are on the land portion of their journey.

The object of the Act was to prevent the frequent hardships which arose from the loss by the carrier of valuable goods packed in small compass, and to accomplish this end it was enacted, among other things,

(1) That the carrier should be informed when he was carrying anything especially valuable, so that he might give to it a corresponding measure of protection;

(2) That he should be entitled to charge an extra sum for carriage in order to compensate him for his additional responsibility and trouble.

The value of the goods—which means the value to the consignor, not the price

charged to the consignee—is fixed at £10, and the articles include such things as coin, precious stones, jewellery, watches, negotiable securities, pictures, glass, china, and silk. If, therefore, a package containing such articles, of a value exceeding £10, is delivered to a carrier, information as to the nature of the goods and their value must be given at the time of delivery. The carrier is then entitled to make such increased charge as he has given general notice of in his office or other place of business. A neglect of this precaution on the part of the consignor to give notice of the value of the goods will exempt the carrier from all liability, except for loss or injury arising from the felonious acts of his servants, or from his own or his servants' personal misconduct.

The Act further provides that no public notice shall limit the amount of the liability of a common carrier, but it is still open for the parties themselves to come to an express agreement.

The Act does not apply to the luggage which a passenger takes with him on a journey. If this is lost, stolen, or injured, without any default on the part of the passenger, and the luggage is personal, the carrier is responsible for the loss, theft, or injury.

The carrier loses the benefit of the Act, unless he posts up a notice in accordance with the same, or if he fails to give a receipt when he is required to do so.

Railway and Canal Traffic Act, 1854.—It has been stated above that railway companies are not necessarily common carriers. To meet the cases of such companies, and also to mitigate the harsh construction of the courts in turning what were practically public notices into special contracts, the above-named Act of 1854 was passed. By this statute railway and canal companies are forbidden to limit their liability, as carriers of goods, by special agreements, unless

(1) The special contract is signed by the consignor of the goods or his agent, and

(2) The terms of the contract are held by the court to be "just and reasonable."

What will be held to be "just and reasonable" must depend upon the particular facts of each case.

The seventh section of the Act provides that, unless a higher value has been previously declared, no greater damages can be recovered for animals conveyed than £50 for a horse, £15 per head for neat cattle, and £2 per head for sheep or pigs.

A later statute, passed in 1868, has somewhat modified the provisions as to public notices, giving them a certain amount of validity in special cases.

Merchant Shipping Act, 1894.—The common law liability of the shipowner, as to carriage, was precisely the same as that of the land carrier. It was the custom, however, to limit that liability by means of charter-parties and bills of lading. These were, and are, the special contracts made between the consignor and the shipowner, and are noticed under their respective headings. But as the common law liability of the land carrier was limited by special statutes, so the liability of the shipowner was diminished by legislation, the last principal Act upon the subject, which is practically a codification of the law on shipping, being the Merchant Shipping Act of 1894. This Act has been amended in various details by three short subsequent Acts passed in 1897, 1900, and 1906.

The main provisions with respect to carriage are the following :—

(1) The shipowner is exempted from all liability for loss or damage by fire which has happened without his actual fault or privity.

(2) No claim can be sustained for loss or damage caused by robbery, embezzlement, or theft of such things as gold, silver, jewellery, or precious stones, unless the nature and the value of the same have been declared in writing to the shipowner or master at the time of shipment.

(3) No liability is incurred where loss or damage has occurred whilst the ship was under the control of a pilot, whose employment was compulsory. (See *Pilotage.*)

(4) The amount of damages recoverable, where loss or damage has occurred without the actual default or privity of the owner, is limited, in respect of goods to £8 per ton of the ship's tonnage, and in respect of loss of life or personal injury, either alone or coupled with loss or damage to goods, to £15 per ton of the ship's tonnage.

Rights of the Carrier.—The goods must be delivered to the carrier according to the agreement, and the agreed remuneration must be paid to him. The amount of the remuneration must be reasonable, though at common law it

need not be uniform. Although no claim for payment can be made before the goods are delivered for carriage, there is no obligation, in the absence of special agreement, to carry before the payment has been made. The most valuable right of the carrier is that of lien, that is, the power of retaining the goods which he is employed to carry until his charges are paid, by either the consignor or the consignee.

Suing Carriers.—An action will lie against a carrier in the name of the consignor, who agreed with him and who was to pay him. This is quite in accord with the ordinary law of contract. It the consignor of goods delivers them to a particular carrier by order of the consignee, it is the consignee who must bring an action if it is desired to hold the carrier liable for any loss or damage sustained. Again, if the property in the goods has passed to the consignee, the consignee is the proper person to take proceedings. But if the property has not passed, as, for instance, when goods are sent on sale or return, it is the consignor who must take action. Putting the matter briefly, it is the person in whom the property is who should seek redress, unless there is a special contract made, when it is the duty of the contractor to move in the first instance.

CARRYING OVER. (Fr. *Report*, Ger. *Reportgeschaft*, Sp. *Reporte*, It. *Riporto.*)

This is a Stock Exchange term, signifying the postponement of the settlement of an account from one settling day to another, allowances, contango or backwardation, being made for the accommodation. The same arrangement can be made in most of the other exchanges, and when securities are thus transferred from one prompt day to another, they are said to be carried at whatever may be the percentage charged. (See *Stock Exchange.*)

CARRYING TRADE. (Fr. *Transport de marchandises, commerce d'expédition*, Ger. *Frachtgeschäft*, Sp. *Transporte de mercancias, comercio de transporte*, It. *Commercio di spedizione.*)

This refers either to the traffic which is carried and handled by the railway companies, carriers, and the like, at home, or to the shipping trade in general carried on with the vessels which go to and from certain ports at home, or ports beyond the seas.

CART NOTE. (Fr. *Lettre de voiture*, Ger. *Begleitschein*, Sp. *Nota de conducción*, It. *Lettera di vettura.*)

This is a note used by the Customs, which is sent with locked vans when dutiable goods are removed from one place to another, either for shipment or warehousing.

CARTAGE. (Fr. *Camionnage, frais de roulage*, Ger. *Rollgeld, Fuhrlohn*, Sp. *Acarreo*, It. *Spese di trasporto.*)

This word is used to signify the charge made by railway companies, carriers, and others, for carting goods, either to their destination, or to the docks for shipment. It also means the actual conveyance of goods.

CARTAGE NOTE. (Fr. *Note du camionnage*, Ger. *Abfuhrrechnung*, Sp. *Nota de gastos de conducción*, It. *Nota delle spese di porto.*)

This is a statement of the amount due for the cartage of goods.

CARTEL. (Fr. *Cartel*, Ger. *Auslieferungsvertrag*, Sp. *Cartel*, It. *Cartello.*)

This word is used with various meanings, though the only one connected with commercial matters is that which is used in Germany to signify an agreement between bodies or associations of merchants and manufacturers for the regulation or limitation of trade, the fixing of prices, and other similar matters. (See *Combination.*)

CASE OF NEED. (Fr. *Au besoin*, Ger. *im Notfall*, Sp. *En caso de necesidad*, It. *In caso di bisogno.*)

This is an indorsement sometimes put upon a bill of exchange, naming a person who will guarantee payment for the honour of the drawer, or one of the indorsers, should the bill not be met at maturity. The usual form is this :—

In case of need apply to
Messrs. A. B. & Co., D. E.

and it signifies that if the bill is not paid at maturity, Messrs. A. B. & Co. will pay it for the honour of D. E., who is the drawer, or one of the indorsers.

CASH. (Fr. *Argent comptant*, Ger. *Kasse*, Sp. *Caja*, It. *Cassa.*)

In a wide sense the word "cash," which is derived from the French, *caisse*, a chest for the purpose of containing money, may mean not only ready money, but also bills, drafts, bonds, and all readily negotiable paper. "Generally, it would seem that documents of all kinds payable on demand, or that can immediately be converted into money, are spoken of and treated as cash." In a strict sense, however, the term "cash" is limited to coined money and Bank of England notes for sums of £5

and over, since the latter are part of the legal tender of the country. The Treasury notes—£1 and 10*s*.—issued during the Great War which commenced in 1914 are also treated as cash.

CASH ACCOUNT. (Fr. *Compte de caisse*, Ger. *Kassenkonto*, Sp. *Cuenta de caja*, It. *Conto di cassa.*)

In book-keeping this is an account to which nothing is carried but cash received on the one hand, and from which all the cash payments of the business are drawn on the other. The balance is called the cash in hand. When the balance is on the credit side the account is said to be in cash. When the amounts on the debit side and the credit side balance, the account is said to be out of cash.

CASH BONUS. (Fr. *Boni*, Ger. *Barvergutung*, Sp. *Bono monetario*, It. *Bono di cassa.*)

In life insurance, this is a share of the profits paid to the insured in cash, instead of being added to the amount of the policy or applied to the reduction of premium.

CASH BOOK. (Fr. *Livre de caisse*, Ger. *Kassenbuch*, Sp. *Libro de caja*, It. *Libro di cassa.*)

The cash book is that in which an account is kept of the receipts and disbursements of money.

All business firms use a cash book, which serves two purposes. First, as being a record of the amounts of cash received and paid, together with particulars relating to the same, it enables the exact amount of one's balance to be ascertained at any period; and secondly, it relieves the journal of some of its entries, for when a cash book is kept, the entries appropriate to this book are not passed through the journal, but are posted direct into the ledger, the cash book itself being treated as a ledger account.

For small payments it is not unusual for a petty cash book to be used, the totals of which are periodically passed through the cash book.

CASH CREDIT. (Fr. *Crédit de caisse*, Ger. *Barkredit*, Sp. *Crédito*, It. *Credito di cassa.*)

This is a credit granted by a bank on security being given—personally or on the guarantee of another person. In the absence of a cash credit a banker will frequently allow a customer of good reputation and standing to overdraw his account, and this arrangement serves the same purpose.

CASH ORDER. (Fr. *Billet à vue*, Ger. *Sichttratte*, Sp. *Letra á presentación*, It. *Tratta a vista o a presentazione.*)

This is the name applied to an inland draft payable on demand, drawn by one trader upon another.

CASHIER. (Fr. *Caissier*, Ger. *Kassierer*, Sp. *Cajero*, It. *Cassiere.*)

The cashier of a business is the person who is charged with the duties of paying or receiving the debts of a business house or corporation.

CASTING VOTE. (Fr. *Vote prépondérant*, Ger. *entscheidende Stimme*, Sp. *Voto de decisión*, It. *Voto decisivo.*)

This is the vote given by the president or chairman of an assembly or meeting, when the votes of those present are equally divided, so that a decision may be arrived at by casting the balance on one side or the other.

At common law a chairman has no casting vote. The privilege must therefore be conferred by the regulations which govern the meeting. The vote itself may be the only vote which a chairman may give, but in joint-stock companies it is the general practice for the articles of association to provide for the chairman giving a casting vote, in addition to voting as an ordinary member of the company at its meetings.

CATTLE MANIFEST. (Fr. *Relevé des bestiaux*, Ger. *Viehfrachtliste*, Sp. *Manifesto de ganado*, It. *Distinta del bestiame.*)

Every vessel which carries cattle is required to prepare a document containing full particulars as to the animals shipped on board. This document is called the cattle manifest.

CAVEAT EMPTOR. (See *Sale*.)

CELLARAGE. (Fr. *Cavage*, Ger. *Kellergeld*, Sp. *Bodegaje*, It. *Spese di fitto di cantina.*)

Cellarage is the charge made for storing goods in a cellar.

CENT. (Fr. *Cent*, Ger. *Prozent*, Sp. *Ciento*, It. *Cento.*)

This is a term frequently used in commerce to denote a certain rate or ratio, being so much per hundred. Thus, five per cent. implies the proportion of £5 to every £100.

In currency, cent is the name of certain small coins in various countries, being the hundredth part of other coins. In the United States the cent is one-hundredth part of a dollar, or about one English halfpenny; in France the centime is the hundredth part of a franc, about one-tenth of an English penny; and in Holland the cent is one-hundredth part of a guilder, about one-fifth of an English penny.

CENTIGRADE. (Fr. *Centigrade*, Ger. *hundertgradig*, Sp. *Centigrado*, It. *Centigrado.*)

This word means the division into a hundred degrees or parts.

CENTIGRAMME. (Fr. *Centigramme*, Ger. *Zentigramm*, Sp. *Centogramo*, It. *Centigrammo.*)

This is a metric system weight, the one-hundredth part of a gramme. Its English equivalent is 0·154323 of a grain.

CENTILITRE. (Fr. *Centilitre*, Ger. *Zentiliter*, Sp. *Centilitro*, It. *Centilitro.*)

This is the hundredth part of a litre, or 0·017598 of an imperial pint.

CENTIME. (Fr. *Centime*, Ger. *Centime*, Sp. *Céntimo*, It. *Centesimo.*)

The centime is the one-hundredth part of a franc.

CENTIMETRE. (Fr. *Centimètre*, Ger. *Zentimeter*, Sp. *Centimetro*, It. *Centimetro.*)

This is the one-hundredth part of a metre, or 0·3937 of an English inch. Twenty-eight centimetres are almost exactly equal to eleven English inches.

CERTIFICATE. (Fr. *Certificat*, Ger. *Schein, Zeugnis*, Sp. *Certificado*, It. *Certificato.*)

A certificate is a testimony in writing, or a written declaration of the truth of some particular matter.

CERTIFICATE OF DAMAGE. (Fr. *Certificat d'avarie*, Ger. *Beschadigungsschein*, Sp. *Certificado de averia*, It. *Certificato d'avaria.*)

This is a document in printed form, issued by dock companies, when goods are received by them in a damaged condition as they are landed from a ship. They are generally filled in by the surveyor of the dock company, and the certificate states that the surveyor has surveyed and carefully examined the goods, and that the cause of the injury or damage to them is that stated. This document is necessary in order to enable the importer to recover compensation from the underwriters of the goods, or the shipowners, as the case may be.

CERTIFICATE OF INCORPORATION. (Fr. *Certificat d'incorporation*, Ger. *Eintragung in das Handelsregister*, Sp. *Certificado de incorporación*, It. *Certificato d'iscrizione.*)

This is a certificate issued by the Registrar of Joint-Stock Companies to the effect that a company has been duly registered, and is entitled to the privileges attached to a joint-stock company.

The certificate is in the following terms:—

"I hereby certify that the —— Company, Limited, is this day incorporated under the Companies (Consolidation) Acts, 1908 to 1917, and that the Company is limited.

Given under my hand this day of

(Signature)

Registrar of Joint-Stock Companies."

Such a certificate given by the registrar in respect of any association is conclusive evidence that all the requisitions of the Companies Acts in respect of registration and of matters precedent and incidental thereto, have been complied with, and that the association is a company authorised to be duly registered under the Companies Acts. A statutory declaration by a solicitor of the High Court engaged in the formation of the company, or by a person named in the articles of association as a director or secretary of the company, of compliance with all or any of the said requirements, must be produced to the registrar, and the registrar may accept such declaration as sufficient evidence of compliance.

The incorporation of a company takes effect from the date of incorporation mentioned in the certificate. The issue of a certificate of incorporation is no authority in itself that the company is allowed to trade. There are many preliminaries to be arranged before a company may commence business. (See *Companies.*)

It is of the utmost importance that the certificate of incorporation should be conclusive proof of the commencement of the legal existence of the company. "When once," said the late Lord Cairns, "the memorandum is registered and the company is held out to the world as a company undertaking business, willing to receive shareholders, and ready to contract engagements, then it would be of the most disastrous consequences if, after all that has been done, any person was allowed to go back and enter into an examination (it might be years after the company had commenced trade) of the circumstances attending the original registration and the regularity of the execution of the document."

CERTIFICATE OF ORIGIN. (Fr. *Certificat d'origine*, Ger. *Ursprungszertifikat*, Sp. *Certificado de origen*, It. *Certificato di origine.*)

A certificate of origin is one which names the place of manufacture or growth of certain articles.

CERTIFICATE OF REGISTRY. (Fr. *Certificat d'enregistrement*, Ger. *Beilbrief*, Sp. *Certificado de registro*, It. *Certificato di registrazione*.)

In order that a ship may possess the status of a British ship, there are various preliminaries to be observed, and one of these is the registration of the vessel at the port of registry in accordance with the requirements of the Merchant Shipping Acts. When the ship has been registered a certificate is delivered by the registrar, and this is the document which must be publicly displayed on board, showing to all comers the right of the ship to claim the special privileges which are attached to British nationality. (See *British Ship*.)

CERTIFICATED BANKRUPT. (Fr. *Réhabilité*, Ger. *entschlagener Bankrottierer*, Sp. *Rehabilitado*, It. *Fallito riabilitato*.)

This is a person who, having been made a bankrupt, holds a release from the Court of Bankruptcy, testifying that his debts have been cancelled by the court.

CERTIFIED CHEQUES. (See *Marked Cheques*.)

CERTIFIED COPY. (See *Attested Copy*.)

CERTIFIED TRANSFERS. (Fr. *Transferts déclarés*, Ger. *beglaubigte Übertragungen*, Sp. *Certificados de transferencia*, It. *Cessione documentata*.)

These are transfer deeds, which bear indorsements by the registrar or secretary of a company, stating that share certificates to meet the transfers have been lodged at the company's offices. They are chiefly used when a person sells a part only of the shares which he holds.

CESTUI QUE TRUST. (See *Trustee*.)

CHAIN. (Fr. *Vingt mètres*, Ger. *Kette*, Sp. *Cadena*, It. *Catena*.)

This is a measure used in surveying, the length of which is twenty-two yards. It is composed of one hundred iron links, and is generally known as "Gunter's Chain," so called from the name of the inventor. One square Gunter's chain is one-tenth of an acre.

CHAIN-RULE. (Fr. *Règle conjointe*, Ger. *Kettensatz*, Sp. *Regla de cadena*, It. *Regola catenaria o congiunta*.)

This is the name given to an arithmetical rule much used in commercial calculations. It consists of the formation of a series of equations which are connected together and dependent each on the preceding one, like the links of a chain.

CHALDRON. (Fr. *Chaudron, treize hectolitres*, Ger. 13 *Hektoliter*, Sp. *Chaldron*, It. 13 *ettolitri*.)

This is an English dry measure, containing thirty-six coal bushels. Twenty-one chaldrons make a score. The measure is now practically obsolete, since coal is sold by weight.

CHAMBER OF COMMERCE. (Fr. *Chambre de Commerce*, Ger. *Handelskammer*, Sp. *Cámara de comercio*, It. *Camera di commercio*.)

A chamber of commerce is a voluntary association of merchants and others interested in trade for the promotion and benefit of trade interests in general.

Chambers of Commerce were established in several countries before they were known in the United Kingdom. The first Chamber in Great Britain was that of Glasgow, founded in 1783. It was quickly followed by the Chamber of Commerce of Edinburgh, which was instituted in 1785, and incorporated by Royal Charter in the following year. The latter was the first public body which petitioned for the adoption of free trade principles, and in later days it was the prime mover in advocating the transfer of the telegraph service to the state. The Manchester Chamber of Commerce was established in 1820, and gained world-wide renown by its exertions in favour of free trade. There is not a town of any commercial importance in the whole of the United Kingdom which does not now possess a Chamber of its own, and in 1860 there was established a general association of Chambers of Commerce of the United Kingdom.

The Chambers of Commerce endeavour to attain their object, viz., the promotion and benefit of trade, by a consideration of all proposed legislative measures which affect commerce, and by petitioning Parliament according to the views of the majority of their members. They collect and distribute statistical and commercial information, and some of the more wealthy promote commercial and technical education. They are sometimes usefully available for arbitration in mercantile disputes.

The oldest Chamber of Commerce in France is that of Marseilles, founded

nearly four centuries ago, and the next in seniority is that of Dunkirk, which dates back to 1700. All the Chambers in France were suppressed by the National Assembly in 1791, but were revived and reconstituted eleven years later. Their present organisation is regulated by the decrees of 1851 and 1852. They are unlike the English Chambers in this respect—they are not voluntary associations, but rather Government departments. They advise the Government as to the means of improving the national industry by legislation, as to the execution of public works, and also as to taxation.

CHAMPERTY. (See *Barratry* (2).)

'CHANGE. (Fr. *Change*, Ger. *Borse*, Sp. *Bolsa*, It. *Borsa*.) This word is an abbreviation for Exchange.

CHARGES FORWARD. (Fr. *Port dû*' Ger. *unter Nachnahme*, Sp. *Gastos á pagar*, It. *Spedizione contro assegno, spese di assegno.*)

This term is used in accounts when the carriage and other charges are to be paid by the buyer upon receipt of the goods.

CHARGING ORDER. (Fr. *Ordre de charger, débiter*, Ger. *Ladungsordre, Aufnotierungsordre*, Sp. *Orden de cargar, cobrar*, It. *Ordine di caricare, debitare*.)

Where a creditor has obtained judgment against a debtor, and has either failed to secure payment of his debt by execution, or does not care to proceed in this way, he may apply to the court for an order charging any property which is shown to be that of the debtor, whether held in his own name or in the name of a trustee. So long as the charge stands the property cannot be dealt with. At the end of six months, if nothing has been done to clear off the indebtedness, the creditor may proceed to take the benefit of the charge. (See *Garnishee Orders*.)

CHARTER. (Fr. *Charte, privilège*, Ger. *Freibrief, Privilegium*, Sp. *Carta, privilegio*, It. *Patente, privilegio*.)

A charter is a grant from the Crown conferring some special rights, powers, or privileges upon public companies, corporations, institutions, and the like, upon certain stipulated conditions being fulfilled. A company which carries on its business under the terms of a charter is known as a chartered company, as distinguished from one registered under the Companies Acts.

CHARTERED ACCOUNTANT. (C/A.) (Fr. *Expert-comptable*, Ger. *behördlicher Bucherrevisor*, Sp. *Périto mercantil*, It. *Contabile approvato*.)

In recent times an effort has been made to raise the status of accountants, who are not required by law to have any special qualifications, and a chartered accountant is a person who holds a certificate from the Institute of Chartered Accountants, stating that he has passed their examination, and is therefore fully competent to undertake accountants' work. (See *Accountant*.)

CHARTERED BANK. (Fr. *Banque privilégiée*, Ger. *privilegierte Bank*, Sp. *Banco privilegiado*, It. *Banca privilegiata*.)

This is a bank which trades under a special Charter granted by the Crown.

CHARTERED COMPANY. (Fr. *Compagnie à charte*, Ger. *privilegierte Gesellschaft*, Sp. *Compañia con privilegio*, It. *Compagnia privilegiata*.)

A chartered company is one which carries on business under a special charter granted by the Crown, as distinguished from one registered under the Companies Acts.

CHARTERER. (Fr. *Fréteur, affréteur*, Ger. *Befrachter*, Sp. *Fletador*, It. *Noleggiatore*.)

The person who charters or hires a ship, or a part of one, under a charter-party, is called a charterer.

CHARTER-PARTY. (C/P.) (Fr. *Charte-partie*, Ger. *Schiffsvertrag*, Sp. *Contrato de fletamento*, It. *Contratto di noleggio*.)

An agreement by which a shipowner agrees to place an entire ship, or a part of it, at the disposal of a merchant for the conveyance of goods, binding the shipowner to transport them to a particular place, for a sum of money, which the merchant undertakes to pay as freight for their carriage.

The merchant who takes the ship is called the charterer.

The charter-party may be under seal, when the usual deed stamp of 10*s.* is required. If it is under hand the duty is 6*d.*, and the payment of this duty may be denoted by an adhesive stamp which must be cancelled by the person whose last execution gives binding effect to the document.

The name charter-party is probably derived from ***chartam partiri***, to divide the parchment. It was an ancient custom, when a deed was drawn up,

to write it in as many parts as there were parties upon the same piece of parchment, and afterwards to cut the document into these parts. Each of the parties retained his part for use in case of difficulties arising as to the terms of the contract.

Form of Charter-Party.—The forms of charter-parties vary considerably, as certain trades have forms which are peculiar to themselves. But the stipulations usually inserted in all charter-parties will be found in the following specimen :—

"*London, January* 1, 1920.

It is this day mutually agreed between A.B., owner of the good ship called X, of the measurement of n tons or thereabouts, now in the port of Y, whereof E.F. is master, and C.D. merchant, that the said ship being tight, staunch and strong, and in every way fitted for the voyage, shall, with all convenient speed, proceed to Z, or as near thereto as she may safely get, and there load in the usual and customary manner a full and complete cargo of lawful merchandise not exceeding what she can reasonably stow and carry over and above her tackle, apparel, provisions and furniture ; and shall therewith proceed to S, or as near thereto as she may safely get, and deliver the same in the usual manner agreeably to the bills of lading, the act of God, the King's enemies, restraints of princes and rulers, fire, and all and every other peril of the seas, rivers, and navigations of what nature and kind soever, throughout the voyage, being excepted. Freight to be paid upon the delivery of the cargo. The said C.D. to be allowed m days for the loading and unloading of the said ship, and m days on demurrage over and above the said lay days and time herein stated at £x sterling per day.

Penalty for non-performance of this agreement, £y."

The signatures of the parties are appended and attested by one or more witnesses.

The specimen just given is of a mere skeleton character, and some charter-parties run to most elaborate lengths. For the meaning of particular phrases used in these documents, the best expert advice must be sought, or special text-books consulted.

Conditions and Warranties.—The stipulations in a charter-party, as stated above, vary with different trades. These may amount to conditions or warranties according to circumstances. If they are conditions, their non-fulfilment entitles the charterer to repudiate the contract ; if they are warranties only, the contract cannot be repudiated, but the charterer is entitled to sue for damages. The clauses as to the place where the ship is, etc., are generally classed as conditions; the other clauses are held to be warranties.

The common warranties in connection with the conveyance of goods by sea are three : (*a*) seaworthiness of the ship, (*b*) despatch, and (*c*) non-deviation.

By seaworthiness is meant the fitness of the ship to undertake the particular voyage contemplated. This applies only to the time of loading and the time of sailing. After the ship has started upon the voyage, there is no implied warranty that she will continue seaworthy during the voyage, although if a vessel becomes unseaworthy very shortly after starting upon a voyage, the burden of proof of showing that she was seaworthy at the time of departure will be upon the shipowner.

By despatch is meant the undertaking of the shipowner that the ship will commence and complete the voyage within a reasonable time.

Non-deviation is a warranty that the ship will not deviate from the usual course of navigation, except for the purpose of saving life or of protecting the ship from imminent peril.

CHARTS. (Fr. *Cartes, cartes marines,* Ger. *Seekarten,* Sp. *Cartas marinas,* It. *Carte marittime.*)

These are maps pointing out sea-coasts, rocks, sands, lighthouses, light-ships, beacons, and showing the depth of the sea around the coast, issued for the guidance of navigators.

CHEAP MONEY. (Fr. *Argent à vil intérêt,* Ger. *billiges Geld,* Sp. *Moneda barata,* It. *Danaro a vile interesse.*)

Money is said to be cheap when the floating supply of gold is plentiful, and the bank rate is consequently low, so that loans on marketable securities are easily obtainable at a low rate of interest.

CHEQUE. (Fr. *Chèque, mandat de paiement,* Ger. *Check, Bankschein,* Sp. *Cheque, orden de pago,* It. *Cheque, assegno di pagamento.*)

By the Bills of Exchange Act, 1882, a cheque is defined to be a bill of exchange drawn on a banker payable on demand.

The usual form of cheque is well known. Books of forms are issued by the banks, and it should be the rule of every business man never to make use

of any form other than that supplied by his bank. But it is quite lawful for a customer to write out a cheque on a blank piece of paper, and if it is quite in order a banker must honour it. The stamp duty, as in the case of an ordinary cheque, is two-pence; but if the stamp used on the paper is an adhesive one, it must, to be strictly legal, be cancelled by the person issuing, that is, drawing, the cheque. The only other person who can affix a stamp and cancel it is the banker upon whom the cheque is drawn, and he is allowed to debit his customer with the amount. It is altogether wrong for an intermediate party, the payee or a holder, to stamp the cheque, and if it is proved in an action on the alleged cheque that this has been done, the person who is suing on the cheque must fail. It is to be noticed that this stamping by intermediate parties has no application to negotiable instruments of this kind which fall under the category of foreign bills. They can be stamped by the holder when they arrive and are negotiated in the United Kingdom.

The banker on whom a cheque is drawn must honour it if he has funds in hand belonging to the drawer, and also to the extent of any overdraft agreed upon. There is an implied contract between the banker and his customer to this effect. A banker who fails to honour his customer's cheques, under the above conditions, is liable to an action for damages, though the amount of damages will depend entirely upon the whole circumstances of the case. The duty and authority of a banker are determined by (*a*) countermand of payment, (*b*) notice of the death of the customer, (*c*) notice of an available act of bankruptcy.

Although the general rules governing bills of exchange are applicable to cheques, the following points of difference should be noticed :—

(1) A bill of exchange must be accepted before the acceptor can be liable upon it. A cheque is never accepted by a banker, and therefore the banker is never liable to the holder of the cheque for refusing payment of it. The remedy (if any) of the holder is against the drawer or any indorser of the cheque. There is no remedy against a transferor of the cheque upon the document itself, although there may be upon the consideration for which it was given.

(2) A bill must be duly presented for payment or the drawer will be discharged. The drawer of a cheque is not discharged by delay in presenting it for payment, unless, through the delay, the position of the drawer has been injured by the failure of the bank, when he had sufficient money deposited to meet the amount of the cheque. In such a case the holder must prove for the amount of the cheque in the winding-up or bankruptcy of the bank.

(3) No notice of dishonour is necessary if a cheque is not met; want of assets is a sufficient notice.

A cheque given by the drawer in contemplation of death must be presented for payment by the donee before the drawer's death, in order to entitle the donee to receive the amount out of the drawer's estate as a *donatio mortis causâ*.

When a cheque has been drawn and handed to the payee, it must be presented at the bank named for payment within a reasonable time. If the payee of the cheque and the banker on whom it is drawn are in the same place, the cheque should, in the absence of special circumstances, be presented for payment on the day after it has been received. If they are in different places the cheque should be forwarded for payment on the day after it has been received, and the agent who receives it should, in like manner, present it or forward it on the day after he receives it. Diligence in presentation is, of course, advisable, but it is always possible to bring an action on a cheque unless the same is barred by the Statute of Limitations, that is, six years. As to the practice of banks when a cheque has been delayed in presentation, see *Stale Cheque*.

If the cheque is made payable to "A. B. or order," A. B. must indorse it before payment is demanded; if payable to "A. B. or bearer," no indorsement is required. If a cheque has to be indorsed, the payee should write his name exactly as it appears on the face of the cheque, though such superfluities as Mr., Mrs., Esquire, etc., and University or other degrees should be omitted. Thus if a cheque is made payable to John Jones, it should be indorsed in the same way, though it is the common practice of bankers to accept such an indorsement as J. Jones. A banker is entitled to insist upon this strict agreement of the indorsement of a cheque with the order on its face, because of the limit of his statutory liability in case of forgery. If a cheque is made payable to "Mrs. Jones," the proper indorsement is "Mary

(or other Christian name) Jones." If the maiden name of a married woman is used, she should indorse in some such form as the following: "Mary Jones, née Smith." The banker is not responsible for the payment of the amount of a cheque which bears a forged indorsement, provided he acts without negligence and in the ordinary course of business. It is his duty to know the signature of his customer, and he must bear any loss which arises through payment of any cheque which purports to be that of his customer and is not. But he cannot be expected to know the payee or his signature. In this respect there is a great difference between cheques and bills of exchange not payable on demand, because in the case of the latter the banker is just as liable as any other person if he pays through or under a forged signature. (See *Forgery.*)

A banker should refuse payment of a cheque which appears to have been materially altered, otherwise he may have to bear any loss which arises. For some years it was doubted what was the exact position of a banker even when a customer had drawn a cheque so negligently as to permit of an alteration in the amount of the same. This has now been set at rest by the decision of the House of Lords in *London Joint Stock Bank* v. *Macmillan* (1918, A.C. 777), where it was held that if a customer draws a cheque so negligently that it can be altered, the customer and not the banker must bear any loss that arises. This re-establishes the decision given in the case of *Young* v. *Grote*, decided in 1827.

Crossed Cheques.—A cheque which can be presented by the holder and for which payment may be demanded from the banker upon whom it is drawn is called an "open cheque." It is obvious that since a banker is legally bound, in the ordinary course of business, to honour open cheques which are drawn upon him, a person may wrongfully receive payment if he has become possessed of such a cheque. In order to minimise the risks run through loss or forgery, it has become the common practice, when paying accounts, for the drawer of the cheque—and any holder may also do the same if the drawer has not done so—to "cross it," that is, to draw two parallel transverse lines across its face, and to write the words "and Co." between them. The addition of the words "and Co.," however, is not compulsory. The transverse lines are sufficient to complete the crossing. A cheque of this kind should not be paid over the counter of a bank. It must be presented by another bank. And if, in addition, there is added the name of a particular bank, then the presentation must be made through that bank. These crossings are respectively called "general" and "special."

The mere crossing of a cheque does not affect the negotiability of the instrument. The holder in due course has a perfect title to it. But the character of negotiability may be taken away if the words "not negotiable" are added. (*N.B.*—An open cheque cannot be legally marked "not negotiable.") The holder of such a cheque has no better title to it than the person from whom he took it. Thus, for example, if a cheque marked "not negotiable" is stolen from the payee or a subsequent holder, and the thief transfers it for value to another person, the transferee has no right to retain it. He holds it affected with the same taint as the thief did, and he must restore it, on demand, to the rightful owner; whereas if it is still a negotiable instrument, and if it has been taken *bonâ fide* and for value, the holder is not affected with any of the incidents connected with its former history.

Sometimes, in addition to the crossing, or even in the case of an open cheque, there are words added which indicate that the cheque has been drawn, or is to be filled in, for an amount not exceeding a fixed sum, e.g., "under ten pounds." This is an additional safeguard against alteration.

As already stated, when a cheque is issued uncrossed, any holder, including a banker, may cross it generally or specially; when it is crossed generally, he may cross it specially; and whether it is crossed generally or specially, he may add the words "not negotiable."

It should be noticed that where a banker in good faith and without negligence receives payment for a customer of a cheque crossed generally or specially to himself, and the customer has no title or a defective title thereto, the banker incurs no liability to the true owner of the cheque by reason only of having received such payment. To make a person a "customer" of a bank, in order that the banker may secure this protection, there must be some sort of an account, either current or deposit, or some similar relationship existing between them. See also the Bills of Exchange (Crossed Cheques) Act, 1906.

Account of Payee.—There has recently sprung up a custom of crossing cheques, "account payee," or "account of A.B.," or some similar words. There is no provision in the Act of 1882 as to such a crossing; but it would appear from several decisions in the courts, that when a cheque is crossed in this manner, the collecting banker—the matter does not concern the paying banker—is bound to see that the proceeds of the cheque are directed in the proper channel, and if, through his negligence, there is a loss, he is responsible for the same.

Post-dated Cheques.—It has been doubted whether a post-dated cheque is valid, if its amount exceeds £5, and a penny stamp is used. Such a cheque was allowed to be put in evidence in the *Royal Bank of Scotland* v. *Tottenham*, 1894, 2 Q.B. 715; but it is conceived that the drawer may render himself liable to penalties for issuing such a cheque, seeing that it is really a bill of exchange, and therefore insufficiently stamped. If, however, a post-dated cheque is drawn, and is then delivered to and held by the payee until the day of payment arrives, there is no liability for insufficient stamping.

Cheques sent by Post.—Unless expressly or impliedly authorised to use the post, the drawer of a cheque is responsible for any loss which may arise through the miscarriage of a cheque sent by post. He has himself chosen the post as his agent, and he must bear the consequences. A request, however, on the part of the payee that a cheque should be forwarded in this manner will exonerate the sender completely, since the post is now the agent of the payee.

On payment, a cheque becomes the property of the drawer, but the banker who pays it is entitled to keep it as a voucher until his account with his customer is settled. There is a slight variation in practice between the methods of London and country bankers as to the delivery up or the retention of paid cheques.

CHEQUE BOOK. (Fr. *Carnet de chèques*, Ger. *Checkbuch*, Sp. (*Libro*) *talonario*, It. *Libro di cheques.*)

This is a book containing blank cheques impressed with stamps, which is supplied by banks for the use of its customers.

CHEQUE TO BEARER. (Fr. *Chèque ouvert, au porteur*, Ger. *offener Check, Inhabercheck*, Sp. *Cheque abierto, no barrado*, It. *Cheque non sbarrato.*)

A cheque to bearer, if uncrossed, is one payable on presentation to the banker or where it is drawn. If crossed, it must be paid in to a bank for collection. Bearer cheques do not require indorsing.

CHEQUE TO ORDER. (Fr. *Chèque à ordre*, Ger. *Ordercheck*, Sp. *Cheque á la órden*, It. *Cheque all'ordine.*)

A cheque to order is one which requires to be indorsed with the payee's signature. If uncrossed, it is payable over the counter of the bank upon which it is drawn: if crossed, it must be paid into that or into some other bank for collection.

CHOP. (Fr. *Marque de fabrique*, Ger. *Bezeichnung, Sorte*, Sp. *Marca de fábrica*, It. *Marca di fabbrica.*)

This word is in use, mainly in the East, to denote the particular mark which is placed on goods to distinguish the make, etc., of the same. The chop is generally something of a native character, and a native invariably orders by this mark.

CHOSES IN ACTION. (Fr. *Choses en action*, Ger. *Rechtsobjekte, unkorperliche Rechte*, Sp. *Cosas en acción*, It. *Proprietà di cui non si è in possesso, ma su cui si vanta un giusto titolo.*)

It is very obvious that this phrase is of French origin, and in law it is applied to personal property of an incorporeal nature, of which a person has not the actual or constructive enjoyment, but merely a right to recover the same by an action at law. Common examples of choses in action are debts, warrants, insurance policies, mortgages, and bills of exchange. Those things of which a person has not only the right to enjoy, but of which he has also the actual enjoyment, are called "choses in possession."

Choses in action were not assignable at common law, but now by various statutes, and especially by the Judicature Act, 1873, an absolute assignment may be made in writing, signed by the assignor, of which notice is given to the other party to the contract. Unless the debt, etc., assigned is a negotiable instrument, the assignee takes "subject to the equities," that is, any defences which were available on the part of the debtor against the assignor are available against the assignee.

CIPHER or **CYPHER.** (Fr. *Chiffre*, Ger. *Chiffre, Ziffer*, Sp. *Cifra, guarismo*, It. *Cifra.*)

A cipher is a secret kind of writing. Government telegrams are frequently written in cipher to insure secrecy.

The word is also used to signify the figure 0 in arithmetical operations, and, as a verb, with the meaning "to work sums."

CIPHER-KEY. (Fr. *Clé de chiffre*, Ger. *Chiffreschlüssel*, Sp. *Clave*, It. *Chiave del cifrario.*)

This is the key to the cipher used in secret writing.

CIRCULAR. (Fr. *Circulaire*, Ger. *Zirkular*, *Rundschreiben*, Sp. *Circular*, It. *Circolare.*)

Under this name is included every kind of notice or address sent out by any person for the purpose of disseminating information, soliciting orders, etc.

CIRCULAR NOTES. (Fr. *Billets circulaires*, Ger. *Zirkularkreditbriefe*, *Zirkularnoten*, Sp. *Notas circulares*, It. *Lettere circolari di credito.*)

These are letters or notes which are issued by banking houses for the convenience of travellers. Their object is to avoid the necessity of carrying large sums of money from place to place. The banker who issues the notes advises his correspondents abroad, and informs the travellers where payments may be made to them on the production of the same. A specimen of the handwriting of the payee is also provided, called a *Lettre d'indication*, so that there may be some protection against fraud or forgery. A traveller who presents a note at any of the places named will receive any amount he requires within the limit provided for. The advances are duly noted upon the document at each place of presentation, and the issuer will refund any balance due when called upon to do so.

Circular notes are issued for sums of £5, £10, £20, £50, or more, distinctive colours being used according to the amounts. There is generally no charge made for the accommodation, as the interest on the amount lodged for the period between the dates of purchase and payment is sufficient to remunerate the banker for his trouble.

CIRCULATING MEDIUM. (Fr. *Agent de circulation*, *agent monétaire*, Ger. *Umlaufsmittel*, Sp. *Circulación*, It. *Medio circolante*, *agente della circolazione.*)

By this expression is understood the medium by which exchanges, or purchases and sales, are effected. The name is applied to gold or silver coin, paper, or any other article employed as the measure of the value of other things. It is scarcely possible to imagine a people without a circulating medium of some kind, and, accordingly, even among the most savage tribes, there exist some articles to which they refer as a measure of wealth, whether the articles be slaves, skins, or cowry-shells. (See *Currency.*)

CIRCULATION OF A BANK. (Fr. *Circulation de monnaie de papier*, Ger. *Notenumlauf*, Sp. *Circulación de papel moneda*, It. *Circolazione dei valori di una banca.*)

The circulation of a bank is generally understood to be the amount of its own notes which are payable on demand.

CLEAN BILL. (See *Bill of Health* and *Bill of Lading.*)

CLEARANCE. (Fr. *Acquit*, Ger. *Abfertigung*, Sp. *Despacho*, It. *Lascia passare della dogana.*)

(*a*) Of vessels. This is a term in use in the mercantile marine, signifying a permit from the Custom House officers for the departure of a ship, and denoting that all the dues have been paid and all formalities complied with. If the vessel is a foreign one, a certificate must also be obtained from the consul of the country to which she belongs.

(*b*) Of goods. This is a service which is undertaken by a shipping agent, consisting in the performance of certain duties connected with the receipt or despatch of goods, passing through the Custom House, etc.

CLEARANCE INWARDS. (See *Ship's Clearance Inwards.*)

CLEARANCE OUTWARDS. (See *Ship's Clearance Outwards.*)

CLEARING BANKS. (Fr. *Banques de virement*, Ger. *Girobanken*, Sp. *Bancos de liquidación*, It. *Banche iscritte alla stanza di compensazione.*)

These are the banks which are members of the London Bankers' Clearing House.

At the present time (that is, at the beginning of 1920) the following are the members of the Clearing House :-

Bank of England

Bank of Liverpool and Martins, Ltd

Barclays Bank, Ltd.

Coutts & Co (soon to be amalgamated with the National Provincial and Union).

Glyn, Mills, Currie & Co.

Lloyds Bank, Ltd.

London County, Westminster, and Parr's Bank, Ltd.

London Joint City and Midland Bank, Ltd.

London Provincial and South Western Bank, Ltd.

National Bank, Ltd.

Williams Deacon's Bank, Ltd.

CLEARING HOUSE, BANKERS'. (Fr. *Comptoir général de virement, chambre de liquidation*, Ger. *Abrechnungsstelle*, Sp. *Oficina de liquidaciones*, It. *Stanza di compensazione dei banchieri*.)

This is an institution situated in Post Office Court, Lombard Street, by means of which bankers are enabled to transfer credits from one bank to another in the same manner as credits are transferred within the same bank. Its establishment dates back to 1775, when a number of city bankers, having recognised the waste of time and labour in sending round their clerks to collect the moneys owing to them from one another, hired a room in Lombard Street, in which their clerks met and exchanged their mutual claims against each other, paying only the difference in cash or bank notes. There were forty-six bankers who cleared in 1810. In 1854 the joint-stock banks were admitted to the Clearing House, and the Bank of England joined in 1864. As the smaller banks have gradually become absorbed by the larger joint-stock companies, the members of the Clearing House have been considerably reduced in number, and now consist of seventeen only. It is through one or other of these members that the smaller banks transact their business as far as clearing is concerned.

The mode of doing business is thus described by the late Mr. Macleod: "The bills and cheques which each banker holds on the other clearing banks are sorted in separate parcels, and at 10.30 a clerk from each bank arrives at the Clearing House. He delivers to each of the other clerks the obligations he has against his house, and receives from each clerk the obligations due from his own. When these obligations are interchanged, each clerk returns to his own bank. The same process is repeated at 2.30. Each bank has till 4.45 to decide whether it will honour the drafts upon it; if it does not return any drafts upon it before that hour it is held to have made itself liable on them to the Clearing House. At 4.45 the business closes, and the accounts are made up; and so admirable is the system that not a single bank note or sovereign is required for the settlement of the claims.

"Each clearing bank keeps an account at the Bank of England, and the Inspector of the Clearing House also keeps one. Printed lists of the clearing banks are made out for each bank, with its own name at the head, and the others are placed in a column in alphabetical order below it. On the left side of the names is a column headed 'Debtors,' and on the right side a column headed 'Creditors.' The clerk of the Clearing House then makes up the accounts between each bank, and the difference only is entered in the balance sheet, according as it is debtor or creditor. A balance is then struck between the debtor and creditor columns, and the paper delivered to the clerk, who takes it back to his own bank. The balance then is not paid to, or received from, the other bankers as formerly, but it is settled with the Clearing House, which keeps an account itself at the Bank of England. The accounts are settled by means of a species of cheque appropriated to the purpose, called Transfer Tickets. They are of two colours, white and green: white, when the bank has to pay a balance to the Clearing House; green, when it has to receive a balance from it. By this admirable system transactions to the amount of many millions daily are transferred from one bank to another, without the use of a single bank note or coin." With the progress of time, the system has become simplified in various particulars, but its main features remain the same as when Macleod wrote. Recently, the number of daily clearings has been increased to four.

The Clearing House system was practised in Edinburgh before it took root in London. There are clearing houses in several large towns, which carry out the work for a certain specified area, and differences are settled by a draft upon the local branch of the Bank of England or upon London.

The Clearing House is managed by a committee of five members.

CLEARING HOUSE, RAILWAY. (Fr. *Bureau central*, Ger. *Eisenbahn-Abrechnungshaus*, Sp. *Inspección de liquidación*, It. *Ufficio centrale delle ferrovie*.)

This is an association established in 1842, and afterwards regulated by an Act of Parliament, passed in 1850, called the Railway Clearing Act, by which railway companies in England and Scotland are enabled to carry on through traffic over various lines as if they all belonged to one company. From a small beginning with a staff of four clerks, it

has grown to such a size that it now finds employment for more than two thousand persons. The whole of the accounts in respect of through bookings, and of similar dealings, so as to strike a balance between the various companies, are made up at the Clearing House, which is directed by a committee of delegates appointed by the companies which are parties to the clearing system.

The Clearing House also acts as a centre for the consideration of matters affecting the interests of railway companies. It supervises the arrangements for passenger traffic, classifies goods traffic, deals with the rules and regulations for the working of railways, and makes itself the responsible medium for the recovery of lost luggage.

The Railway Clearing House is situated in Seymour Street, close to Euston Station, the London terminus of the London and North-Western Railway.

CLERKS. (Fr. *Commis, employés,* Ger. *Kommis,* Sp. *Dependientes,* It. *Commessi.*)

These are persons who are employed in the position of writers or accountants in offices.

CLIENTS. (Fr. *Clients,* Ger. *Klienten, Kunden,* Sp. *Clientes,* It. *Clienti.*)

This name is generally applied to those persons who employ solicitors or counsel for professional purposes. In recent times it has been extended to the customers of bankers and brokers, and it is not uncommon to hear the name used in connection with all manners of trades.

CLIPPER. (Fr. *Clipper,* Ger. *Klipper,* Sp. *Barco velero, cliper,* It. *Veliero.*)

This is the name applied to any sailing ship built with the object of attaining considerable speed.

CLOSING PRICES. (Fr. *Dernier cours,* Ger. *Schlusspreise,* Sp. *Precios de última hora,* It. *Prezzi finali.*)

This is a term used in business to denote the prices of stocks and shares which rule between three and four o'clock in the afternoon.

COASTERS. (Fr. *Cabotiers,* Ger. *Kustenfahrer,* Sp. *Buques de cabotaje, costeros,* It. *Navi da cabotaggio, costieri.*)

These are small vessels which are engaged in the coasting trade, that is, the trade between home ports.

COASTGUARDS (Fr. *Garde-côtes,* Ger. *Küstenwächter,* Sp. *Guarda-costas,* It. *Guarda-coste.*)

Coastguards are a body of men organised to act as a guard along the coast, originally to prevent smuggling.

COASTING TRADE. (Fr. *Cabotage,* Ger. *Küstenhandel,* Sp. *Cabotaje,* It. *Cabottaggio.*)

By coasting trade is understood the commercial intercourse carried on by sea between different ports of the same country. No goods may be carried coastwise except those that are laden for the purpose at some port within the country.

By the law of the United Kingdom, the master of a coasting ship is liable to a penalty of £100, if when at sea he takes in or puts out any goods, and he must not deviate from his voyage, unless compelled by stress of weather or other circumstances. Before departing from the port of lading a "transire" (*q.v.*) must be prepared and deposited. General transires may be obtained subject to certain regulations, and issued locally for periods not exceeding twelve months.

COASTWISE. (Fr. *Le long de la côte,* Ger. *die Kuste entlang,* Sp. *A lo largo de la costa,* It. *Lungo la costa.*)

This word, as well as its equivalent "coastways," means along the coast.

CODE. (Fr. *Code,* Ger. *Kodex,* Sp. *Código,* It. *Codice.*)

In telegraphing, and more especially in cabling, words or figures are often used which, by an arrangement previously made between the parties, are understood to represent a combination of words or whole sentences. Any arrangement of this kind is known as a code, and the word which represents a phrase or a sentence is called a code word. It is obvious that the use of a code means a vast saving of expense, particularly when foreign trading is taken into account.

CODE WORD. (Fr. *Mot de code,* Ger. *Telegraphenschlusselwort,* Sp. *Palabra de código,* It. *Parola di codice.*)

(See *Code.*)

CODICIL. (Fr. *Codicille,* Ger. *Kodizill,* Sp. *Codicilo,* It. *Codicillo.*)

A codicil is an addition to a will. (See *Will.*)

COIN, COINAGE. (Fr. *Argent monnayé, monnaie,* Ger. *Munze,* Sp. *Moneda,* It. *Moneta.*)

Any piece of metal which is stamped and issued by the Government of a country, in order to act as a medium of exchange, is called a coin; and the system of coins is known as the coinage. (See *Currency, Money, Par of Exchange.*)

COLLATED TELEGRAM. (Fr. *Dépêche approuvée,* Ger. *verglichenes Telegramm,* Sp. *Telegrama verificado,* It. *Telegramma collazionato o verificato.*)

A collated telegram is one that is

repeated on its way from station to station, at the desire of the sender, and at an additional charge, to insure its correct transmission.

COLLATERAL SECURITY. (Fr. *Arrière caution*, Ger. *Rückburgschaft*, Sp. *Fianza subsidiaria*, It. *Cauzione sussidiaria*.)

This term signifies any secondary or indirect security. The name is generally applied to the deposit of documents conveying a right to property, so that in the event of a default in the repayment of a loan, or in the fulfilment of some other obligation, there may be something available for the creditor without the necessity of taking legal proceedings. A bill of sale is an example of a collateral security, as it guarantees the repayment of a loan, and other common examples are delivery orders, title-deeds, mortgages, and bonds.

COLLIERY GUARANTEE. (Fr. *Garantie de charger*, Ger. *Zechengarantie*, Sp. *Garantia de cargar*, It. *Impegno di caricare carbone*.)

This is an agreement signed by a colliery company undertaking to load a vessel with coal within a certain time—steamers in a certain number of hours, and sailing vessels in a certain number of days.

COLONIAL TRADE. (Fr. *Commerce des colonies, commerce colonial*, Ger. *Kolonialhandel*, Sp. *Comercio colonial*, It. *Commercio coloniale*.)

This is that branch of trade or commerce which is carried on between a mother country and its possessions beyond its own shores.

COMBINATION. (Fr. *Association*, Ger. *Verbindung*, Sp. *Asociación*, It. *Associazione, federazione*.)

A combination, or, as it is often called, a "combine," is a union of manufacturers and others formed for the purpose of protecting their own interests, or for regulating the selling price of articles which they produce. The object is to have a fixed price, and so prevent competition among them. The term is also used when referring to some of the large trusts or combinations, where several firms have been amalgamated into one large combine or company.

COMMANDITE, SOCIÉTÉ EN. (A French term. Ger. *Kommanditgesellschaft*, Sp. *Comandita*, It. *(Società in) accomandita*.)

This is a French phrase, and means a kind of commercial society or partnership, in which some of the members contribute a certain amount of capital without taking any part in the management, becoming what are known in this country as sleeping partners. Such partners are called *commanditaires*, or partners in commandite, in France, and are held liable for losses only to the extent of the funds or capital furnished by them.

COMMERCE. (Fr. *Commerce*, Ger. *Handel*, Sp. *Comercio*, It. *Commercio*.)

This word is derived from the Latin *commercium*, and means, in its most general sense, the exchange of articles of any kind for money or other articles.

There are three kinds of commerce:—

(1) Home trade, or that carried on between individuals of the same country;

(2) Foreign trade, or that carried on between the inhabitants of different countries;

(3) Colonial trade, or that carried on between the inhabitants of any particular country and its colonists.

COMMERCIAL CRISIS. (Fr. *Crise commerciale*, Ger. *Handelskrisis*, Sp. *Crisis comercial*, It. *Crisi commerciale*.)

A commercial crisis is the name given to a period of general distrust among business men and financiers, owing to a succession of failures in business circles or other similar causes.

COMMERCIAL PRODUCTS. (Fr. *Produits commerciaux, denrées commerciales*, Ger. *Handelsprodukte*, Sp. *Productos comerciales*, It. *Prodotti commerciali*.)

The principal commercial products are here set out in alphabetical order, with short notes attached to each.

Abaca.—A species of banana, yielding Manilla hemp. It is a native of the Philippine Islands, and the entire supply is practically derived thence. The coarser fibres obtained from the leaf stalks are used for the manufacture of cordage, and the finer for the production of the most delicate Indian muslins.

Abietine.—The resinous product of a Californian tree, *Pinus sabiniana*, useful as a grease remover, and a common substitute for petroleum benzine.

Absinthe.—A greenish-coloured spirituous liquid, produced by steeping the leaves and flowering tops of certain species of *Artemisia*, chiefly wormwood, in alcohol, and afterwards distilling the same. It is manufactured principally at Couvet, in Switzerland, and at Pontarlier, in France.

Acajou.—The French name for a

species of mahogany exported from Brazil.

Acetal.—A colourless liquid produced by the slow oxidation of alcohol under the influence of dilute sulphuric acid and peroxide of manganese. It is a valuable reagent in organic chemistry.

Acetic Acid.—The principal ingredient of common vinegar when diluted with water.

Acetylene.—A colourless and heavy gas of unpleasant odour. It is a powerful illuminant. It is made by the decomposition of carbide of calcium by means of water. As it is highly explosive, great care is required in the use of it.

Aconite.—A genus of plants that are natives of Europe, Asia, and North America; but the woolly aconite, or monk's hood, is probably a native of Britain. All species have violent poisonous properties. In certain forms, however, a tincture of the root is used medicinally in cases of heart disease.

Aconitin.—An alkaloid contained in the leaves of the monk's hood. It is one of the most powerful poisons known.

Agar-agar.—The name of a gelatinous substance extracted from a species of seaweed abounding in the Eastern seas. It is prepared by boiling the seaweed in water. In China and Japan, agar-agar is much used as a food, and is sometimes known as Bengal or Japanese isinglass. It is also used for dressing various fabrics and paper.

Agate.—A mineral composed of layers of quartz, closely compressed and of various colours. It is much used in the manufacture of ornaments, as it can take a fine polish. It is found in considerable quantities in Scotland, Saxony, India, and Siberia.

Agave.—The name of a genus of plants, the best known of which is the American aloe. Coarse fibres are obtained from the leaves, which are manufactured into thread, twine, rope, hammocks, etc. This fibre is sometimes called "pita flax."

Alabaster.—A mineral substance chiefly used for ornamentation. It is a variety of gypsum or selenite, resembling marble in its general appearance. The best alabaster is procured from Volterra in Tuscany. A plentiful supply is also found in Derbyshire.

Alewife.—A fish much resembling the shad, obtained off the eastern coasts of North America. It is largely exported from New Brunswick (Canada) to the West Indies.

Alfa.—(Otherwise Halfa.) A variety of esparto, the stalks of which are extremely valuable for paper-making. It grows in Algiers, Tunis, and Spain.

Alizarine.—The colouring matter used in the dyeing of Turkey red It was originally found in the madder root, but it is now chiefly obtained from anthracene.

Alkanet.—The name of the root of the *Anchusa tinctoria*, cultivated in various parts of southern Europe, and the Levant, from which a beautiful reddish brown colour is obtained, which is soluble in oils, turpentine, and spirit; and is very generally used by perfumers for colouring oils, soaps, pomades, etc.; and in the composition of stains and varnishes.

Allspice.—The name commonly given to the dried fruit of the *Eugenia pimenta*, or *Eugenia acris*. It is also known as Jamaica pepper and pimento, and is obtained from the West Indies

Almond.—A genus of the natural order *Rosaceae*. The almond tree is very similar to the peach. It is a native of Africa, but is now widely distributed. The wood of the tree is hard and of a reddish colour, and is much used by cabinet makers. But the almond tree is chiefly valuable on account of the kernel of its fruit. There are two kinds of almonds—bitter and sweet. The former is the original kind, the sweet being an accidental variety, perpetuated and improved by cultivation. The chief kinds of sweet almonds are the Valencia, the Italian, and the Jordan. Bitter almonds are valuable for the essential oil contained in them and also for flavouring purposes.

Aloe.—A plant of which there are nearly two hundred species, most of them being natives of South Africa, but now widely spread. The fibres of the leaves, being stronger than hemp, are used for cords and nets by the negroes of West Africa, and in Jamaica one species is used for making stockings. From the juice of the leaves of many species a drug is obtained, known as aloes, which is of much value in medicine.

Alpaca.—The long, silky, lustrous wool obtained from the animal of the same name, largely bred and domesticated in Peru and other South American States. Alpaca is enormously used for the manufacture of shawls, coatlinings, cloth for warm countries, umbrellas, etc. The chief seat of the manufacture is the West Riding of Yorkshire, especially Bradford and Saltaire. Vicuna and guanaco are different species of alpaca.

Alum.—A crystalline compound composed of sulphate of potash, sulphate of alumina, and water. It is a colourless

substance of a sweetish, astringent taste, and is soluble in water. It is useful in medicine as an astringent for the prevention of haemorrhage. In commerce it is employed in the manufacture of the so-called lake colours, and it is valuable as a mordant in dyeing processes. It is often mixed with poor flour in order to give a whiteness to bread. Alum is obtained in large quantities near Whitby, and in the neighbourhood of Glasgow, in the shape of alum ore.

Alumina.—The oxide of aluminium. It occurs largely in Nature, and in its pure state is known as corundum. It is valuable in commerce for its properties in acting upon the fibres of cloth, etc., as a mordant, and in fixing colours.

Aluminium.—A white metal found in clay, felspar, slate, and other rocks. The most convenient source of aluminium is bauxite, a clay found at Les Baux (France), which has replaced the cryolite obtained from Greenland. The metal is extremely light—its specific gravity being only 2·5—and takes a high polish. It is used as an alloy with most metals, but will not amalgamate with mercury. It is especially valuable in the manufacture of mathematical and optical instruments, where lightness and durability are essential qualities. Latterly, its value has been recognised in the building of ships and boats, particularly torpedo boats. Aluminium bronze is a compound of copper and aluminium—the latter to the extent of about 10 per cent.—and is much used in the manufacture of cheap jewellery.

Amber.—The fossil resinous exudation of certain extinct species of pines. Hard and brittle, it varies in colour from pale yellow to reddish-brown. It is generally transparent, though sometimes it is found clouded and opaque. Amber is mainly used for the manufacture of personal ornaments, especially pipe mouth-pieces, beads, etc. It is mainly derived from the shores of the Baltic.

Ambergris.—A speckled grey fatty substance resembling raw amber. It is generally believed to be an exudation of the spermaceti whale, and is found floating in the sea, or thrown up on the shores of Greenland, China, Japan, the West Indies, and Brazil. It has a peculiar sweet, earthy odour. Its use is confined to perfumery to increase the fragrance of other perfumes. Most of the ambergris which is imported into Great Britain comes from the Bahamas.

Amberite.—The name given to a smokeless powder which is mainly composed of gun cotton, barium nitrate, and solid paraffin.

Amboyna Wood.—The beautiful Indian mottled wood, highly prized by cabinet makers, and largely used for inlaying work.

Amethyst.—One of the most esteemed varieties of quartz, and differing from common quartz by reason of its beautiful violet-blue colour, which is caused by the presence of peroxide of iron, or of manganese. It is used for seals, rings, etc. The finest specimens are obtained from India, Ceylon, and Brazil. A variety of the sapphire, of a purple colour, is known as the "Oriental amethyst."

Ammonia.—A gaseous compound of nitrogen and hydrogen. Ammonia is a valuable reagent in chemical analysis, and is used medicinally, both internally and externally. Its salts are very numerous and useful in commerce. Sulphate of ammonia serves as a top-dressing for farmers, and is frequently mixed with other manures. Carbonate of ammonia is valuable as smelling salts, and its solution is known as "sal volatile." Nitrate of ammonia is resolved into "laughing gas" and water.

Ammoniacum.—A medicinal gum resin valuable on account of its stimulating qualities. It is a product of a Persian tree, and is obtained by exudation.

Amontillado.—The name of a very pale and dry sherry.

Anchovy.—A small fish of the herring family, from 2 to 8 inches in length. It is very abundant off the Mediterranean shores, and a very large trade is carried on in tinning anchovies at Cannes, Frejus, and St. Tropez.

Anchovy Pear.—The fruit of a tree which grows largely in Jamaica, and which is used in the manufacture of pickles. In taste it bears a strong resemblance to the mango.

Angora.—The trade name of a breed of goats, derived from the capital of a province of Asia Minor. These goats have long silky curling hair, of which mohair is the principal. In Turkey, the finest garments are made of Angora wool. Elsewhere it is chiefly used for trimmings, braids, and shawls. The chief seats of manufacture in England are Norwich and Bradford. Latterly, a species of Angora goat has been bred in the United States, Cape Colony, and Victoria (Australia) for the sake of the wool.

Angostura Bark.—(Also called Cusparia Bark.) It is obtained from certain

trees which are natives of the tropical regions of South America. The name is derived from Angostura, in Venezuela, where it is an article of considerable commerce. It is a valuable tonic in dysentery and similar ailments, and is also used as a febrifuge. In England, its use is confined to the preparation of aperitivo wines.

Angostura Bitters.—The bitter of commerce. It is an essence into the composition of which enter various aromatics—especially angostura, camilla, cinchona, and lemon. Originally prepared at Angostura, it is now chiefly produced at Siegert, in Trinidad.

Aniline.—All the aniline now manufactured is obtained from coal tar, which, upon distillation, produces benzene. When benzene is treated with strong nitric acid, nitro-benzene is formed, and this, when mixed with acetic acid and iron filings, yields acetate of aniline. Aniline is an oily colourless liquid when it is quite pure, but darkens rapidly when exposed to the air. Its odour is strong and its taste weak and aromatic. When aniline is treated with chloride of lime, it gives rise to a beautiful violet colour. Nearly half a century ago it was discovered that if the colour thus produced was purified, it could be fixed with the greatest ease upon silk and woollen fabrics. By degrees all other colours were obtained. Aniline colours have practically superseded all other dyes, owing to their great brilliancy, their diversity of colour and shade, and the ease with which they can be fixed. Prior to 1914, Germany had almost a monopoly of the trade in aniline dyes.

Anime.—A kind of resin, obtained from various species of trees. It is also known as African copal, and is imported into this country from Zanzibar. It is yellow in colour, transparent, and of a pleasant smell. It is used for varnishing.

Aniseed.—The aromatic fruit of the anise. It contains an essential oil which is used for flavouring cordials and medicine, and in the preparation of certain kinds of liquours. Aniseed is obtained from Russia and Germany, but the best comes from Alicante, in Spain.

Aniseed Star.—The fruit of a tree resembling the laurel, mainly obtained from China and Singapore. It is valuable as a spice and as giving a flavour in cooking.

Anisette.—A cordial made chiefly at Bordeaux and Amsterdam from the seeds of the anise. It bears a strong resemblance to the Russian *kummel.*

Annatto.—Also known in commerce as Annotto, Roucou, and Orleana. It is the fine yellowish-red colouring substance obtained from the pulp surrounding the seeds of the *Bixa orellana,* a tree of medium size which grows in Guiana and other tropical parts of South America. It is extensively employed for giving a colour to milk, cream, and cheese. It is absolutely tasteless and harmless.

Anthracene.—A compound which is obtained by the distillation of coal tar. Its commercial value is very great, as it is the source of alizarine (*q.v.*) and other colouring matter.

Anthracite.—A species of stone coal, of the hardest and most dense kind, with a shining surface. It is much used for steam fuel, and burns extremely well in furnaces. It is almost smokeless and contains 90 per cent. of carbon. This coal is worked largely in South Wales, but the largest deposits are in Pennsylvania.

Antifebrin.—(Also called Acetanilid). A modern product prepared from aniline, and often used as a substitute for quinine.

Antimony.—A crystalline metal of a bluish white colour. It occurs in Germany, Hungary, France, America, Great Britain, and Borneo. Metallic antimony is extremely brittle, and is easily reduced to powder. It is chiefly valuable for its alloys and, when fused with most metals, increases their hardness. Type metal and Britannia metal contain a considerable quantity of antimony.

Antipyrin.—Like Antifebrin this is a formidable rival of quinine. It is prepared from coal tar products, and is very useful medically in cases of fever.

Antlers.—The outgrowths from the frontal bones of the deer family, which possess the chemical properties of true bone. They are useful as ornaments, and for the handles of knives and instruments which require a firm grip.

Apatite.—A mineral largely imported into the United Kingdom, especially from Norway and Canada, for manuring land. It is mainly composed of native phosphate of lime, mixed with chloride and fluoride of calcium. It is of a beautiful bluish-green colour and crystalline in form.

Apple.—The fruit procured from the cultivated varieties of the *Pyrus malus.* There are about two thousand varieties of the apple-tree, and the commerce in the fruit is enormous. The tree is, indeed, the most widely distributed of

all fruit trees. Besides being used for dessert, the apple is valuable for the manufacture of cider. In England, the cultivation of the apple is mainly carried on in the West. The importations into the United Kingdom are very large, the continent of Europe and North America supplying almost every demand. Tasmania has lately grown a great quantity of this fruit, and there is a growing export trade in the same. The wood of the tree is hard, durable, and fine-grained, and the bark contains a yellow dye.

Apricot.—The well-known fruit of different varieties of the *Prunus armeniaca.* It is a native of Armenia, though now cultivated in many parts of the world. From its kernel, prussic acid may be obtained and, by distillation, the French *eau de noyaux* is also derived from it.

Aquamarine.—A precious stone. It is a name that is sometimes popularly given to the beryl, on account of its sea-green colour. The best stones are obtained from Ceylon, but good ones are also found in Brazil and Siberia.

Archill.—(Sometimes called Orchill.) It is a violet red paste, prepared from various kinds of dull grey-coloured lichens. Archill liquor is a product obtained by the action of ammonia, air, and heat on a decoction of the lichens. The colour is developed by putrefaction. It is chiefly employed in dyeing silken fabrics a rich lilac colour, the colour being easily acted upon by the rays of the sun. Archill is obtained from the Levant, the Canary Islands, and Cape Verd Islands

Areca.—A genus of palm. The tree grows in various parts of the East Indies, and is cultivated on account of its nuts. The nuts are imported into European countries for the manufacture of tooth powder.

Argil.—(Otherwise Argol.) This is the crust or deposit found in wine casks or vats. It is a fine crystalline powder, and is white or red according to the colour of the wine which has been contained in the cask. Argil is largely exported from Portugal, and is used for dyeing dark shades. Its chief value in commerce, however, is in the preparation of tartaric acid and cream of tartar.

Arnica.—A plant which is sometimes known by the French as mountain tobacco. It was formerly considered to have peculiar medicinal qualities, being used as a stimulant in cases of fever, ague, and palsy, but latterly it has been neglected. A tincture is still obtained from its flowers, which is applied to wounds and bruises.

Aromatic Vinegar.—A perfume which is compounded of strong acetic acid and various essences.

Arrowroot.—A species of starch which is obtained by grinding and washing the tubers of various plants. The West India Islands are the principal source of the supply of arrowroot, and the most prized is obtained from the Bermudas. When prepared, it is a light, opaque, white powder, and crackles when rubbed. Arrowroot has long been much valued as a delicacy, and as an easily-digested food for children and invalids.

Arsenic.—A chemical element that is used in the arts for the purposes of hardening other metals, and also in medicine. In certain forms, however, it is a most deadly poison. It is chiefly found in combination with sulphur and the metals, from which it is obtained by roasting the ore. Arsenic is a brittle, crystalline substance of a steel-grey colour.

Arsenious Acid.—The most familiar of all the compounds of arsenic, and commonly known as white arsenic. It is of importance on account of its uses in medicine and the arts. In some countries, arsenious acid is taken medicinally for the purpose of allaying malarial fever and also for clearing the complexion. When given in small doses to horses, it has the effect of improving the appearance of their skins, and making them bright and glossy.

Artichoke.—An edible legume. The plant is a native of Barbary, but is now grown largely in the South of Europe. It is the flower-head of the plant which is the article of commerce. The Jerusalem artichoke is a totally different plant, the tuber being the most valuable part and the article of commerce.

Asafoetida.—(Or Assafoetida.) A gum resinous exudation obtained from the milky juice of certain trees of Persia and Afghanistan. It is useful in medicine on account of its stimulating properties. In India, asafoetida enters into the preparation of curries and condiments. Its smell is somewhat like that of garlic.

Asbestos.—This term, although a general mineralogical one, is chiefly applied to varieties of hornblende, or pyroxene, which occur in long slender crystals, placed side by side, so as to produce a flexible fibrous mass. In colour, it is white or green, and possesses a silky or glossy lustre. The finest variety of asbestos is called *Amianthus*, a word

signifying "unpolluted," because cloth made from it was cleansed by passing through fire. The meaning of the word asbestos is "indestructible," and its most remarkable property is resistance to flame. It is much used in the construction of gas-fire stoves. In various forms it is used for the making of steam joints, for filling the stuffing boxes of engines, for chemical filters, for covering steam pipes, for rendering buildings fireproof, for lining the engine-rooms of steamships -since it is a non-conductor --and for covering the wires used in electric lighting. The best amianthus is obtained in various parts of Corsica, in Cornwall, and also in certain districts of Scotland. The ordinary article of commerce, however, is mainly obtained from Canada, Italy, New South Wales, and Tasmania.

Asparagus.—A garden vegetable highly prized in all parts of the world. Although widely cultivated, there are large exports from France, which grows it more extensively than any other country.

Asphalt. –A composition of pitch, earthy, elastic, and compact -used for paving roadways, for cementing roofs, and as a lining for cisterns and iron pipes. It is a fossil hydrocarbon, and is obtained from mines, being found either on the surface or imbedded in the earth. Immense quantities are imported into Great Britain, mainly from Trinidad. It is the principal ingredient in Japan varnish.

Ava.—(Also called *Arva, Kava,* and *Yora.*) A shrubby plant of the South Sea Islands. From it a fermented liquor is prepared which has many of the properties of opium.

Aventurine.--A mineral studded with gold spots, sometimes used for jewellery. It is a vitreous variety of quartz, and reflects light with great brilliancy. Aventurine is found in various parts of Europe and Asia, but the chief supply is obtained from the Ural Mountains.

Avocado Pear.—The large fruit of the *Persea gratissima,* a tree of the West Indies. From the pulp an excellent illuminating oil is obtained, and its seeds give a black dye which is useful for marking linen.

Azurite. – Blue carbonate of copper, or blue malachite. It occurs in very beautiful crystals in the south of France, and is found in various parts of England.

Babool.—The name given in India to the *Acacia arabica,* of which the bark and the gum are articles of commerce, the former being useful in tanning.

Baize.--A coarse, woollen fabric with long nap, mainly used for flooring and for wrapping materials. It is sometimes made up into curtains, linings, etc.

Baleen.--The horny plates which are attached to the palate of the whalebone whales, which constitute the whalebone of commerce.

Balsams--Different species of liquid resins or saps, of a more or less agreeable odour, which are derived from various plants. They are most commonly procured by incisions being made in the stems or branches. The kinds of balsam are very numerous. Canada balsam is useful for mounting microscopical objects, Copaiba balsam is used for lac varnishes and tracing paper, whilst others are employed in the manufacture of perfumes.

Bamboo.—The hollow siliceous-coated stems of a gigantic species of grass. These grasses grow in clumps in the tropics, and are of many kinds. In the countries where they are grown, the commercial uses of bamboos are most varied, ranging from the commonest domestic articles to dwelling-houses. When split, they are made into mats, sails, masts, pipes, etc.

Banana.—The fruit of the tropical banana tree, a species of tree allied to the plaintain. Bananas are now grown most extensively in Jamaica, Trinidad, and Central America. A large trade has also sprung up with the Canary Islands.

Baobab.--A tree of magnificent size, a native of West Africa, but introduced in modern times into the East and West Indies. Its bark is imported into this country as a material for making paper, whilst the fibres of its stems are useful for the manufacture of ropes.

Barilla.- An impure carbonate of soda. It is the Spanish name for the alkali or ash which is left over after burning certain plants cultivated on the coasts of Spain, France, and Italy. Formerly, barilla was the principal source of carbonate of sodium, an article extensively used in the manufacture of glass and soap, and in other industrial arts. Its use has rapidly declined in recent years owing to the fact that carbonate of sodium is now made chiefly from common salt.

Barium.—The metal present in heavy spar (sulphate of baryta) and baryta. It is one of the so-called alkaline earths. Its principal use is in the preparation of oxygen, though in the arts it is often employed for adulterating white paints. The carbonate of barium is employed as a

pigment, and in the manufacture of certain kinds of glass.

Barley.—The edible seed of one of the cereal plants (*hordeum*). There are many varieties of barley, and its cultivation is more widely spread than that of any other grain crop. Large quantities are raised in the United Kingdom, especially on the lighter arable lands of Norfolk and Suffolk; and there are considerable imports into this country from Denmark, Siberia, the United States, Canada, and Mexico. The principal demand in Great Britain is for malting purposes. Pearled barley is barley which has been husked and treated by machinery for use in thickening broth and soups.

Bath Brick.—A yellow brick of silicoous material, made from a mixture of sand and clay, found in the river Parret, near Bridgwater, in Somerset. It is mainly used as a scourer, cleaner, and polisher of metals, and especially knives.

Bath Stone.—A limestone of a rich creamy colour, composed of 94½ per cent. of carbonate of lime and 2½ per cent. of carbonate of magnesium, extensively used for building purposes. It is found in large quantities in Wiltshire and Somerset, especially in the neighbourhood of Bath.

Batiste.—The usual French name for cambric, a commercial article which is composed of a fine texture of linen or cotton.

Bay Rum.—A spirituous perfume made chiefly in the West Indies, strongly resembling Eau de Cologne. Its use is mainly confined to toilet purposes, though it is sometimes employed as a liniment in cases of rheumatism.

Bayberry.—The fruit of the sweet bay. It is used as a tonic in veterinary medicine, and it is likewise useful in the preparation of certain condiments. From the fruit a concrete oil is also obtained.

Bdellium.—A gum resinous exudation, very much like myrrh, for which it forms a good substitute. It is now rarely used except as an ingredient in plasters. It has a bitter taste. It is obtained from India and West Africa.

Beads.—A variety of personal ornament, usually globular in form, with a hole through them so that they may be strung together, and worn as necklaces, bracelets, etc., or worked on cloth or some other substance as a kind of embroidery. They are made of various materials, such as glass, ivory, porcelain, jet, coral, amber, etc. There are large importations of beads into Great Britain, chiefly from Italy, Holland, France, and Germany, and they are re-shipped to Africa, where they are bought by the natives. Venice is the principal seat of the manufacture of fancy glass beads, whilst Paris does a considerable trade in imitation gems. In England, plain beads are made in Birmingham.

Beam Tree.—A tree very commonly met with in all parts of Europe, with a straight erect trunk, and varying in height from 20 to 40 feet. The fruit of the beam tree is not of much use, but its wood is very hard, and has a fine close grain. It is of a yellowish white colour, is easily stained, and takes a high polish. It is useful in turnery, and is employed for making the handles of knives and forks, wooden spoons, and certain parts of musical instruments. It can even be utilised for the cogs of wheels in machinery.

Beberrine.—(Or Bibirine.) An alkaloid which is obtained from the greenheart tree, or *bibiru*, of British Guiana. It is identical with buxine, an alkaloid obtained from the bark and the leaves of the common box. It was at one time a strong competitor of quinine as a medicine, but its use has declined.

Bedda Nuts.—A species of myrobalan. These nuts are imported in large quantities from the East Indies into the United Kingdom, and are useful in tanning. They are also employed by calico printers for obtaining a permanent black dye.

Beech.—One of the common trees of Europe, cultivated on account of the usefulness of its wood for many domestic purposes. The wood is hard and solid, and because of its durability under water, it is much in request for making mill sluices. Amongst the domestic articles which are manufactured from beech are chairs, tables, bedsteads, bowls, ladles, carpenters' planes, and other tools. It is also in great demand by wheelwrights and coachbuilders. On the continent, sabots are manufactured out of beech. There are extensive forests of beech trees in Denmark. Its fruit is known as "mast," and is a favourite food for hogs. Beech mast is commonly employed in the adulteration of cocoa. The ashes of beechwood yield potash, and vinegar is prepared from its shavings.

Beeswax.—The hard, fatty substance secreted by bees, and employed by them in forming the walls of their honeycombs. It is obtained from the combs of the bees after the honey has been removed. Naturally, it is of a yellow colour, and has a sweet odour; but it is often bleached

or whitened for use. It is largely imported from America and the East. Beeswax is employed in the manufacture of candles, and wax candles are still much prized for purposes of religious worship, in spite of the existence of other illuminating fats. It is used in surgery and for many artistic purposes, especially for modelling fruits and flowers.

Beet.—The plant which produces the tubers called beetroot. There are several varieties of the beet—yellow, red, and the common field beet. The Silesian beet is most prized since it is the source of the most extensive manufacture of sugar.

Beetroot Sugar.—The saccharine substance which exists in the juice of the beet to the extent of from 7 to 10 per cent.

Belladonna.—A plant which has narcotic and poisonous berries, a native of Southern Europe. The extract of the plant is used medicinally for soothing irritation and pain, and by oculists for the purpose of dilating the pupil during an examination of the eye, and diminishing the sensibility of the retina to light.

Benedictine.—A favourite liqueur made principally at Fécamp, in France. It has long been a formidable competitor of Chartreuse. It is a sweetened spirit, and, like other liqueurs, it owes its peculiar taste and quality to the presence of various cordials and the essential oil derived from different kinds of herbs.

Benzoic Acid.—(Commonly known as gum Benjamin.) An odoriferous or balsamic gum resin. It is the exudation from the stem of the *Styrax benzoin*, or *Styrax officinalis*, found chiefly in Siam and Sumatra. It is also prepared from the urine of graminivorous animals. It is of a yellowish or brownish colour, and always appears in the form of glistening feathery crystals. It has varied uses in surgery and medicine.

Benzole.—A liquid hydrocarbon found n a tarry substance resulting from the distillation of oil. It is a volatile substance, lighter than water, of a peculiar aromatic odour, and is prepared mainly from coal tar. It owes its importance to the fact that it is the source of aniline and the aniline colours. It is an excellent solvent of fats, resins, sulphur, phosphorus, and some alkaloids, and quickly removes grease spots.

Bergamot.—An essential oil obtained by distillation from the rind of a fragrant species of orange. It is a colourless and thin liquid, with a pleasant odour. Bergamot is extensively used in the preparation of pomades, fragrant essences, eau de Cologne, liqueurs, etc. Palermo and Messina are the principal seats of its manufacture.

Beryl.—A precious stone of a deep brown colour, or yellow with a reddish tint. It is closely allied to the emerald, but is not nearly so valuable. The finer varieties of the beryl, which are transparent and beautiful in colour, are known as aquamarine. The stone is found in various parts of Europe, and occurs chiefly in veins that traverse granite or gneiss, or is embedded in granite.

Bessemer Steel.—Steel made direct from cast iron by a process patented by Sir Henry Bessemer in 1856. It is prepared in England from haematite pig iron. Bessemer steel is employed in the manufacture of heavy articles, especially rails, tyres, rollers, boiler plates, ship plates, etc.

Betel.—The name given to the Areca Catechu palm, a tree which produces the betel nut. It is indigenous to the East Indian archipelago. The nut is capable of taking a fine polish when cut, and can be utilised in the manufacture of buttons; but it is mainly as a horse medicine that it finds a market in England. When calcined and pulverised, it is sometimes employed as a tooth powder.

Bhang.—The Indian name for the flowering tops of hemp and hashish, though generally applied to the intoxicating preparation made from them. It is used as a sedative and a narcotic in medicine, but its great value in the East is mainly owing to the fact that the natives smoke bhang more freely than tobacco.

Bismuth.—A reddish white, soft, crystalline metal, often known by the name of "tin glass." Bismuth is found in a native state in Cornwall, France, Peru, Siberia, and very plentifully in Saxony. It unites very readily with other metals to form alloys, and these alloys are of the greatest value in the arts. The best known is called fusible metal, and consists of 2 parts of bismuth, 1 of lead, and 1 of tin. Spoons are made of this alloy.

Bitumen.—Mineral pitch obtained from France, Italy, Holland, and Trinidad. Common pitch is often mixed with sand and then used as a substitute. Supposed to be of vegetable origin, bitumen possesses a strong and peculiar odour, and is highly inflammable. Under the name of bitumen are included a series of widely different substances from naphtha to glassy asphalt.

Bituminous Coal.—The name given to

coal which burns brightly owing to the presence of an excessive quantity of organic, volatile, or resinous matter. It is chiefly valuable on account of the volume of pure gas obtained from it in distillation.

Blacklead.—(Graphite, or Plumbago.) Though black lead is the popular name, no lead enters into the composition of this mineral. It is one of the forms in which carbon occurs native. It is of a grayish-black colour with a metallic lead-like lustre and a greasy touch. Blacklead is found in many parts of the world, especially Ceylon, Siberia, Bohemia, and Bavaria; but some of the best is obtained in Cumberland. The last is valuable, on account of its fine grain, in the manufacture of lead pencils. Blacklead is also used for the manufacture of crucibles, for giving a polished surface to cast-iron, and for counteracting friction.

Bleaching Powder.—Chloride of lime, valuable and very important as a disinfectant and also as a bleaching agent. It is a greyish-white powder, and has a strong odour resembling that of chlorine. The manufacture of bleaching powder is one of the leading chemical industries of Great Britain. Its principal commercial importance consists in its use for bleaching paper and linen. It is also much employed in the manufacture of chloroform.

Blende.—The native sulphide of zinc, and valuable as the ore from which zinc is obtained. Its ordinary black colour is due to the presence of iron, and on that account English miners call it "Black Jack." Blende is widely distributed throughout the world.

Blind Coal.—A popular name for anthracite.

Blister Steel.—A peculiar variety of steel of a fine granulated texture, and marked on the exterior with blister-like prominences. It is particularly useful for making files and tools of various descriptions.

Block Tin.—An alloy of tin containing, in addition to tin, a mixture of iron, copper, lead, arsenic, and antimony. This alloy is what remains after crude tin has been heated in a furnace, and the pure or grain tin has fused and run off.

Blubber.—The fat of whales and other marine animals, but the name is often applied to the membrane in which the oil or fat is inclosed before it is boiled down to extract the train oil.

Blue.—The colour used either for purposes of dyeing, or for tinting paper. As a powder, it is commonly used by laundresses.

Blue Stone.—This is the name by which sulphate of copper is known in commerce. It is prepared from copper pyrites.

Bole.—A variety of clay, coloured red, yellow, or brown, according to the quantity of iron present. It is found in various parts of the world, but chiefly in Saxony, Bohemia, Silesia, Styria, and Italy. Its chief use at the present time is for adulterating various articles of food, such as anchovies and cocoa, which have naturally a reddish colour.

Bone Black.—The product obtained from the destructive distillation of bones. It consists chiefly of phosphate of lime mixed with the carbon of the organic matter of the bones. It is valuable in commerce owing to its remarkable property of removing colouring matter from solutions of organic compounds. When thoroughly ground and mixed into a paste with water and afterwards dried, bone black is employed as a pigment called "ivory black."

Bone Earth. (Or Bone Ash.) The mineral matter remaining after the combustion of bones. It contains from 70 to 80 per cent. of calcium phosphate. It is mainly employed as a constituent of various manures. Bone earth is extensively imported into the United Kingdom from South America.

Boracic Acid.—A saline product obtained by various processes from certain lagoons in Tuscany. Boracic acid is employed in the preparation of certain kinds of glass, and also as an antiseptic dressing for wounds. Its chief use, however, is in the making of borax.

Borax.—A compound of boracic acid and soda, colourless and crystalline. It is mainly obtained from boracic acid. To the chemist it is valuable as a blowpipe re-agent; and in the arts and manufactures it is used for glazing glass, enamel, and porcelain; as a mordant in calico printing; and as an ingredient of various toilet articles. Lately it has been much employed in the preservation of meats, etc.

Bort.—The name given to certain dark lustreless diamonds found in Brazilian mines, also known as anthracite diamonds. As they possess the hardness of the precious stone, they are used for diamond rock-boring drills, and are also employed by lapidaries in stone cutting.

Boxwood.—The wood of the box tree, which is now cultivated in many parts of Europe and Asia. The best kind is

obtained from Turkey in Asia and Persia, the product of the *Buxus balearica*. The wood is fine-grained, smooth, and remarkably hard and strong. It has a yellowish colour and is capable of taking a beautiful polish. Not only is it much in request by the wood engraver and the turner, but it is extremely valuable in the manufacture of musical and mathematical instruments.

Brandy.—The well-known and important alcoholic liquid spirit, distilled from wine, especially in France and Germany. It is sometimes known as cognac and fine champagne. The best qualities are generally distilled from the white wines, and the inferior qualities from the red. The peculiar flavour and aroma are caused by the presence of small quantities of various ethers. The best brandies are made in the country near Cognac, in Charente. Brandy is prepared in England from grain spirit, which is flavoured to imitate cognac by the addition of Hungarian oil or oenanthic ether. Latterly, the beet has been utilised for making brandy.

Brass.—A valuable alloy of copper and zinc, of a more or less yellow colour. In addition, the alloy frequently contains small quantities of iron, tin, or lead. The name "brass," however, has now come to have a wider meaning, and includes not only bronze, but alloys of copper and lead. Brass is manufactured by combining the copper and zinc directly. It is easily fusible, very malleable, and exceedingly ductile; and can be readily cast into moulds, or rolled or hammered into any shape required. Its uses are very numerous, and the head-quarters of the brass industry is Birmingham. Special names are given to certain alloys of the brass kind. The principal of these are Muntz metal and Gedge's metal, which are used for sheathing ships. The hardest of all the alloys is called Sterro metal.

Brazil Nuts.—The well-known edible seeds of the *Bertholettia excelsa*, a tree which grows extensively in the forests on the banks of the Orinoco, and in tropical America generally. The seeds, or nuts, are enclosed in a hard case. The nuts are exported from Para in Brazil, and also from French Guiana.

Brazil Wood.—The dye-wood obtained principally from the *Caesalpinia echinata* of the West Indies though a similar kind of wood is obtained from Brazil, and another, sometimes called saffron wood, from the East Indies. When cut, the wood is yellowish in colour, but it soon assumes a deep red tint after it has been exposed to the air. The wood itself is very hard and heavy. A dyeing solution is obtained by reducing the wood to powder in a mill and extracting the colouring matter by the action of boiling water. The dye imparts a bright crimson colour to wools and silks, but the colour is not a permanent one. The solution is also used in the manufacture of red ink.

Briar Root.—The roots of a climbing plant found in North America—*Smilax rotundifolia*. The wood is fine and hard, and its use is almost confined to the manufacture of bowls for tobacco pipes. Latterly, the laurel root has been largely substituted for the briar root.

Brick Tea.—The name given to tea which is compressed into blocks or slabs. There is a large trade in this tea between China and Russia, but the article does not enter into English commerce.

Bricks.—Masses of baked earth or clay, moulded into regular shapes, and used for building purposes. Though at one time made by hand, they are now practically produced entirely by machinery.

Brill.—A sea fish of the same species as the turbot, for which it is often substituted, and a characteristic British food. It is neither so delicate nor so firm as the turbot, and it is seldom of more than 8 lbs. in weight. It is caught in large numbers off the shores of England and Wales, as well as off the coasts of northern European countries.

Brimstone.—The commercial name of sulphur, when made into sticks or rolls.

Briquettes.—Masses of artificial fuel shaped like common building bricks, though generally double their size, and weighing about 10 lbs. each. Briquettes are made of small coal combined with a certain proportion of pitch.

Britannia Metal.—An alloy of a silver-white colour, composed of tin, copper, zinc, antimony, and bismuth (and sometimes lead) in varying proportions. It has long been employed for the manufacture of jugs, pots, covers, dishes, spoons, etc.; and it forms a good ground for electro-plating with silver, and is, therefore, in great demand in Birmingham and Sheffield.

Broccoli.—The well-known garden vegetable, a variety of cabbage. It resembles the cauliflower in many respects, but differs from it in having a coloured instead of a white head, and also in having leaves of a deeper tinge.

Bromine.—The only chemical element, except mercury, which is liquid at the ordinary temperature. It is obtained

from sea water and kelp, though it is also found in certain springs, especially at Kreuznach and Kissingen, in Germany. Bromine is a heavy red liquid, possessing a peculiar and disagreeable smell, and is an irritating and corrosive poison. It combines readily with all the elements, and has a special affinity for hydrogen. Many of its compounds are valuable in the arts, and bromide of silver is in great request in photography. Its most important use is in medicine, in the form of bromide of potassium, as it acts as a sedative.

Bronze.—Under the name of bronze all alloys of copper and tin are generally included. The colour and the properties of this valuable composition differ according to the proportions of the copper and tin introduced into its manufacture. It is extensively used in the arts and manufactures, and is particularly valuable for castings. A peculiar kind of bronze is known as phosphor bronze, in which the copper is mixed with tin phosphide, instead of the ordinary metal. The compound thus obtained is more homogeneous, much harder, and of greater tenacity than common bronze, and is best suited for engineering and mechanical works.

Broom Corn.—A species of grass, now largely cultivated in North America, especially in the United States, for the sake of the tops of its stems and branches, which are made into whisks and brooms.

Brussels Sprouts.—A hardy winter vegetable, belonging to the same class as the cabbage. The sprouts are in the shape of small cabbages, which are composed of clusters of leaves. The cultivation of the vegetable is carried on chiefly in the district near Brussels, and large quantities are imported into the United Kingdom from Belgium.

Buckwheat.—The seed of the *Fagopyrum esculentum*. It is largely grown on the continent and in the United States, but only to a slight extent in England. Here it is of little use except for feeding pheasants, but in other parts of the world it forms a food-stuff, and is said to be exceedingly nutritious.

Buffalo Horns.—The black and heavy horns of the Indian buffalo, largely imported from India for making combs.

Buff Leather.—Strong oiled leather, made from the salted and dried hides of South American oxen. The leather is strong and durable, and at the same time pliant, and not liable to crack or rot. It is largely used for manufacturing purposes, especially in the making of army belts, etc.

Butter.—The solid fat which is obtained from the milk of all mammals. For commercial purposes, however, the only butter which is met with is that made from the milk of cows. The colour is either white or yellow, depending upon the quality of the milk and cream used. Unless salted, butter quickly becomes rancid. Adulteration is very common. England is, in proportion to its population, the greatest consumer of butter in the world; and, in addition to that which is home-made, thousands of tons are annually imported from France, Denmark, Holland, and the United States. Ireland not only supplies the wants of its own population, but also exports a considerable quantity.

Butterine is a mixture of animal fats with a certain amount of butter added. It is sold as margarine.

Button.—Buttons used as a fastening or an ornamentation have been employed for ages. They are made from varieties of materials, and by various processes. The principal kinds are (1) pearl and other turned buttons; (2) metal buttons; (3) covered buttons; and (4) fancy buttons. The chief seats of manufacture are Birmingham, Paris, Lyons, Vienna, and several German towns. German competition has seriously affected the manufacture in other countries. In the United States, the manufacture of buttons is carried on at New York and Philadelphia.

Butyric Ether.—A compound formed by the action of butyric acid on alcohols, but for commercial purposes it can be made from butter. The butter is mixed with potash, the compound dissolved in alcohol, and afterwards distilled with sulphuric acid. Butyric ether possesses the flavour of pineapples, and it is sold as pineapple oil. It is largely used in flavouring sweets and other confections, and in the manufacture of pineapple ale. It is also employed very largely in the preparation of compound perfumes.

Cabbage.—The well-known plant cultivated both for culinary purposes and for feeding cattle, not only in Great Britain but in nearly every temperate region of the world.

Cadmium.—A white metal occurring in small quantities in certain ores of zinc. In appearance it bears a strong resemblance to tin, but is much harder. Though cadmium is not itself used as a metal, several of its compounds are valuable in medicine and in the arts. Iodide and bromide of cadmium are

employed in photography, and sulphide of cadmium (generally known as cadmium yellow) is of great value to the artist.

Cajeput.—A tree of the myrtle order, *Melaleuca minor*, which grows in the East Indies. It is valuable on account of its leaves, from which an aromatic, volatile oil, called cajeput oil, is obtained by distillation. It is closely akin to eucalyptus oil. In Europe it is employed medicinally as a stimulant and diaphoretic. The name cajeput is sometimes given to a Californian tree, *Umbellularia Californica*, the wood of which is valuable for the manufacture of cabinets.

Calambac.—A tree of Mexico. The wood of the tree is extremely odoriferous, and is much employed in perfumery.

Calcium.—The metal present in chalk, stucco, and various compounds of lime. It is very widely distributed throughout the globe, though never found pure. Calcium is pale yellow in colour, and can be rolled or hammered into very thin sheets or plates. Though of no commercial use alone, the compounds of calcium are very valuable. The oxide forms lime, and when water is added slaked lime. The sulphide is employed in the manufacture of luminous paint, whilst the sulphate is the chief constituent of gypsum.

Calomel.—(Known also as mild muriate of mercury, and subchloride of mercury.) Calomel is the popular name of this compound of mercury and chlorine. It is a white powder, and is the most valuable of the mercurial preparations used in medicine.

Camomile.—A genus of plant belonging to the family *Compositae*. There are several species found in England, and some of these are valuable in medicine as tonics. Its medicinal properties are due to the presence of an essential oil which is obtained by distillation. Camomile is sometimes used fraudulently and illegally instead of hops in the brewing of ale.

Camphor.—A solid essential oil found in many plants, but extracted for commercial purposes from a kind of laurel which abounds in China and Japan, and which has been introduced into Java and also into the West Indies. The fumes of camphor have long been recognised as of great antiseptic value.

Canada Balsam.—This is not really a balsam at all, but a kind of turpentine which is obtained from the *Pinus balsamea*, a native of Canada and the northern parts of the United States. It is much used for making varnishes, for mounting objects for the microscope, and by opticians for cementing glasses.

Candleberry.—A small tree or shrub which is a native of the United States, but which has been naturalised in South Africa. The berries, when ripe, are covered with greenish white wax, which is collected by boiling them, and skimming the surface of the water in which they have been immersed. The wax is afterwards melted and refined. It is used sometimes in the manufacture of candles, which burn slowly with a small light and little smoke, and give out an agreeable odour. Scented soap can also be made from the wax.

Cantharides.—The name given to various blistering beetles. The chief European species is the green *Lytta vesicatoria*, commonly called "Spanish Fly," and this is the only one used medicinally. It has an extremely nauseous odour. Importations take place from Spain and Italy, but the greater part comes from Hungary.

Caoutchouc.—An important elastic gum, commonly known as india-rubber. It is the sap or juice obtained from a variety of trees growing in the tropics. Caoutchouc is a pure hydro-carbon. Vulcanised caoutchouc is a mixture of caoutchouc and flowers of sulphur, or sulphide of antimony. This vulcanisation renders the caoutchouc more elastic and less porous, and especially valuable for manufacturing purposes. If the quantity of sulphur is increased and the temperature raised higher, a hard black horny substance called ebonite or vulcanite is the result.

Caoutchouc, either alone or modified, is used for an immense number of purposes. Amongst these may be mentioned springs and buffers, gas and water pipes, fire hose, door mats, dolls, machine belting, all sorts of water-proof coverings, cushions, beds, etc. Vulcanite or ebonite is employed in the manufacture of electrical appliances, combs, chemical apparatus, stethoscopes, speaking tubes, etc., and generally of those articles which cannot be made of horn or whalebone.

Capers.—The flower-buds and young berries of the caper-bush. The buds and berries are pickled in salted vinegar as soon as they are gathered, and then become the capers of commerce. Their colour is greyish-green to attain which a little copper is sometimes added. Capers are a favourite condiment and ingredient in sauces, etc. They are

chiefly grown in the south of France and in Italy.

Capsicum.—The name of a genus of shrubby bushes valuable on account of the fruit and seeds. The fruit is very variable in form, size, and colour, but red and yellow are its prevailing colours when ripe. The seeds are extremely pungent, and are used for sauces and mixed pickles.

Caramel.—The spongy substance produced when sugar is heated to a temperature of 220° C. It is dark brown in colour, and is one of the causes of the colour of porter and of infusions of coffee. It is also used to colour whisky, wines, vinegar, etc.

Caraway.—A plant valued and largely cultivated in many parts of Europe for the sake of its seeds. These seeds are sharp and somewhat pungent, and their properties are due to a volatile oil which can be extracted from them. They are useful as a flavouring ingredient, and also in the manufacture of scented soaps and perfumes.

Carbolic Acid.—(Also called Phenol.) It is not a true acid. It is prepared from coal-tar, being an oily liquid at a high temperature, and, when pure, a colourless white crystalline compound at ordinary temperatures. In solution carbolic acid is an excellent antiseptic and a preventative of decomposition in animal and vegetable substances. It acts as an irritant poison if taken in any quantity. It is the source of various colouring matters.

Cardamom.—The name applied to the aromatic seed fruit of certain plants which flourish in the East Indies. The seeds are used for making a pleasant cordial, and for rendering medicines more palatable, their virtue depending upon the presence of a volatile oil.

Carob.—A tree found near the shores of the Mediterranean. It is somewhat like the apple tree in size and appearance. The pods are known as carob-beans, and contain a sweet and nutritious pulp. They are one of the commonest ingredients of cattle foods. In Spain and Italy a strong spirit is made from them, as well as a liqueur.

Carrageen.—(Also called Irish Moss.) The name of a species of seaweed. The seaweed is collected and washed in fresh water, and afterwards bleached and dried. It is then white or yellow in colour. When boiled with milk, it forms a stiff jelly, which is valuable in cases of consumption and similar maladies on account of its nutritive properties. It is also employed for feeding cattle, and in the manufacture of paper, cloth, felt, straw hats, and for stuffing mattresses. Though obtainable off the coasts of Ireland, carrageen is chiefly imported from the United States.

Carrara Marble.—The beautiful marble obtained from the numerous quarries in the neighbourhood of Carrara, a small town near Leghorn, in the north of Italy. It is a white saccharoid limestone, and its value to the sculptor consists in its texture, purity, and durability.

Carrot.—The well-known vegetable cultivated for the sake of its root. It is a biennial plant, and is found in various parts of the world.

Cascarilla.—The Spanish name for "little bark," given to the bark of a small tree which grows in the West Indies. The bark is used for making incense and pastilles, and is imported mainly from the Bahama Islands.

Cashew Nut.—The fruit of a tree of the East and West Indies, which gives out a milky juice of use in the manufacture of varnishes. It has a bitter taste, but it is thought to give a pleasant flavour to Madeira and other wines. For the same reason, it is sometimes mixed with chocolate.

Cashmere.—The fancy woollen fabric obtained from the Cashmere goat, largely used in the manufacture of Cashmere shawls. Imitations of Cashmere shawls are now manufactured in Europe, the materials used being a mixture of Tibet wool, silk, and cotton.

Cassareep.—The juice obtained from the tuber of the bitter cassava. It is prepared mainly in British Guiana, and is used in the manufacture of various sauces, especially the well-known West Indian pepperpot. Its natural poisonous properties can be driven off by heat, and its antiseptic value is widely recognised in the tropics.

Cassia Bark.—Sometimes known as China cinnamon, and imported from Southern China. It contains an aromatic essential oil, similar to oil of cinnamon, and often used as a substitute for it.

Castoreum.—The secretion obtained from the reproductive organs of the beaver of Canada and Siberia. It is a soft brown substance, having a peculiar smell and taste, and is now used by perfumers.

Castor Oil.—The name of the plant *Ricinus communis*, and also of the oil extracted from the seeds of the plant. It is a native of India, but its cultivation is now very widespread. When pure, castor oil is thick and viscid, and of a

light yellow colour, but inferior oil has a green or brown tint. Unless carefully made and kept it has a disagreeable taste and smell. Its medicinal properties are well known and greatly valued. The chief importation is from Calcutta.

Catechu.—A substance prepared from the juice of different parts of several plants which grow in the East Indies, used largely for tanning and dyeing, and also medicinally as an astringent.

Catgut.—The material prepared from the intestines of sheep, and sometimes from those of the horse, the ass, or the mule—not from the cat. The larger are reserved for the sausage maker, and the smaller are again chemically treated and drawn out fine through a machine of special manufacture. The best catgut strings are made in Italy, especially at Naples, and are used for musical instruments, cords for clockmakers, etc. Catgut obtained from horses and mules is made in France, and used for driving lathes and other small machines.

Cauliflower.—A variety of the common kale or cabbage. Cauliflower is cultivated for the supply of Covent Garden by market gardeners near London, and also by those of Cornwall, Devonshire, and the Channel Islands.

Caviare.—A condiment prepared from the roes of various kinds of fish, but particularly from those of the sturgeon. Caviare obtained from the sturgeon is nearly black, that from the mullet and carp red. Russia has practically the whole of the commerce in this article, and the preparation of caviare is almost entirely carried on at Astrakhan, the sturgeon being most plentiful at the mouth of the Volga.

Cedar.—Of the celebrated cedars of Lebanon but few remain, and the cedar wood of commerce at the present day is mainly derived from the *Cedrus Australis* and the *Cedrus Toona*, varieties of the cedar found in the West Indies and Australia. The wood is generally hard and red, with a pleasing odour, and is remarkably free from knots. That of Havana, largely employed in the manufacture of cigar boxes, is straight grained. The wood of the *Juniperus barbadensis*, another West Indian species, is used for casing lead pencils. Other varieties of cedar are found in, and the timber exported from, Syria, Asia Minor, and Cyprus.

Celery.—The common name given to the *Apium graveolens*, of which both the root and the leaves are eaten, cooked or uncooked.

Celestine.—A mineral, the native sulphate of strontium. It bears a very strong resemblance to heavy spar, and is of a beautiful bluish colour—hence its name. Celestine is the source of nitrate of strontia, a substance largely used in the manufacture of fireworks. The most beautiful specimens are to be found in Sicily.

Celluloid.—Also called Parkesine, from Parkes of Birmingham, who first manufactured it in 1856. It is an ivory-like compound, consisting chiefly of pyroxylin (a dried solution of gun cotton) and oil, though another variety can be made from pyroxylin and camphor. Celluloid is very inflammable and burns with a yellow smoky flame, giving off a camphor-like odour. Its uses in manufacture are very numerous. Billiard balls, piano keys, combs, knife handles, brush backs, napkin rings, buttons, thimbles, dolls, card cases, and studs are a few of the articles made from it. When coloured it is employed as an imitation of amber, tortoise-shell, malachite, etc.

Cellulose.—One of the carbohydrates, made up in the same proportions as starch. It is the essential constituent of all vegetable structures. It is found in a nearly pure state in linen, cotton, and paper, and may be prepared from them chemically.

Chalcedony.—A variety of silica. It is of a waxy lustre, and is usually either colourless or of a grey or brown shade, but beautiful blue specimens are sometimes met with. It is much used in jewellery for the manufacture of brooches, necklaces, and ornaments of all kinds. It is widely distributed, and many specimens are obtained in various parts of England and Scotland.

Chalk.—A soft earthy variety of limestone, or carbonate of lime. It is white, soft, opaque, and without the slightest appearance of polish in its fracture. It is often mixed with small quantities of silica, alumina, and magnesia. Though generally soft and earthy it is sometimes so compact as to be capable of being used as building stone. When burned it is changed into lime, and then largely used for making mortar.

Champagne.—The produce of the vineyards of the Champagne district of France. Champagnes are either red or white, and the latter are sub-divided into sparkling and still. Sparkling champagne is the result of special treatment during the process of fermentation, and bottling before the fermentation is completed. Carbonic acid gas is thus

generated. The best champagnes are produced at Rheims and Epernay. Sillery is the centre of manufacture of the still wine, and other noted places are Ay, Dizy, Hautvilliers, Mareuil, and Pievry.

Charcoal.—An impure form of carbon. It is very rarely found in a pure state in nature, and must therefore be prepared. The most common method of preparation is that of heating animal or vegetable substances in some closed vessel, so as to avoid contact with air—the residue being charcoal. Good charcoal is of a pure black colour and gives neither smoke nor flame when it is burned. It is extremely porous, and is insoluble in any known liquid. Owing to its power of condensing unwholesome gases within its pores, it is very useful as a disinfectant, removing offensive smells, and as a purifier of water, for which reason it is often found in filters.

Chartreuse.—A favourite liqueur, made by a secret process from mixed spirits and cordials, and sweetened. The name is derived from the monastery of the Grande Chartreuse, near Grenoble, in the south of France, where it was manufactured. It is now made by the monks in Spain. There are two kinds which enter into commerce, green and yellow.

Cheese.—The food substance made from compressed and partially dried curd of milk. For the purposes of colouring annatto is generally used. The richest cheeses, Cheddar, Cheshire, Gloucester, and Somerset, are made from new milk, and in the manufacture of Stilton cream is even added to the new milk. Gruyère is made in the canton of Fribourg, Switzerland. Other highly prized cheeses are Camembert, Brie, Lenbury, and Gorgonzola.

Chicory.—(Also called Succory.) The common chicory grows wild in England and many parts of Europe. Its root is formed like a carrot, and is of a brownish colour, but white within. Its chief use is as an adulterant in coffee, and sometimes as a substitute for it. The raw or kiln-dried root is largely imported from Belgium and the north of France.

Chinchilla.—The name of a South American rodent, much resembling a squirrel, and valued on account of its soft grey fur.

Chinese White.—The white oxide of zinc. It is the permanent white pigment used in the arts, and was substituted a century ago for white lead.

Chintz.—A variety of highly-glazed calico, printed with many coloured patterns on a white ground.

Chiretta.—(Or Chirata.) An intensely bitter plant grown in India, and exported when dried in large quantities to Europe for the purpose of making bitters. It is an excellent substitute for gentian.

Chittagong Wood.—The beautifully veined and mottled wood of a species of cedar tree grown in the district east of Bengal. The name is given rather widely by cabinet-makers to various woods of the same kind. In India it is generally known as the cedar, and is used there as mahogany.

Chloral.—A colourless oily liquid formed when anhydrous alcohol is acted upon by dry chlorine. Its odour is powerful and pungent. The principal action of chloral is to produce sleep, and it is used, though somewhat uncertainly, as an anaesthetic.

Chlorate of Potash. The potassium salt of chloric acid. Its uses include the manufacture of fireworks, of oxygen for lime-light, and of safety matches. When mixed with charcoal or sulphur it forms a highly explosive mixture.

Chlorine.—A heavy, yellowish-green, incombustible gas with a suffocating odour. The principal uses of chlorine are the bleaching of cotton and linen.

Chlorodyne.—A patent medicine. A mixture of opium, chloroform, prussic acid, Indian hemp, sugar, and peppermint. Its use as an opiate is questioned by many medical men, though it has been found effective when other opiates have failed.

Chloroform.—The valuable anaesthetic brought into general use a little more than half a century ago. It is a compound of carbon, hydrogen, and chlorine. Chloroform is itself a colourless, volatile, heavy liquid. Its odour is peculiar and its taste sweet. It is never met with in commerce in its pure state as it rapidly decomposes when exposed to light.

Chocolate.—A preparation made by grinding the seeds of the *Theobrama Cacao* to a fine paste. The unmixed paste is cocoa, but when flour, sugar, and one or more flavouring materials have been added chocolate is obtained. France is easily the first country in the world in its manufacture.

Chromium.—One of the metals, which, though not much employed by itself, forms valuable compounds when mixed with other metals. In nature it is widely distributed through Sweden and Hungary, and also in America, in combination with iron, and is known as

chrome iron ore. Chromic oxide, otherwise chrome green, is the colouring ingredient of the emerald. This oxide is much used in porcelain painting, and as a substitute for arsenic green in wall papers. Chromate of lead, or chrome yellow, is valuable in the dyeing of calico. Bichromate of potash is largely employed in photography, and, when mixed with sulphuric acid, acts as a bleacher of oils. A small quantity of chromium added to steel gives hardness and strength to chrome steel, and in the manufacture of projectiles chromium is generally added to the iron.

Cider.—The fermented liquor produced from the juice of apples. It is produced in great quantities in several English counties, notably Worcester, Hereford, Devonshire, Somerset, and Gloucester, and also in the United States, Germany, and France.

Cigars and Cigarettes. (See *Tobacco.*)

Cinchona.—The name of an important genus of trees, which yield the bitter alkaloid quinine and its congeners. Formerly cinchona was unobtainable except from South America, but now its cultivation is fairly widespread, especially in southern India, and the East and West Indies. The cinchona bark is variously known as Peruvian Bark, Jesuits' Bark, China Bark, Quina, Quinquina, etc.

Cinnabar. The ore of mercury, found in nature and generally known as sulphide of mercury. It is from cinnabar that almost the whole of the mercury of commerce is obtained, the ore containing about 86 per cent. of mercury and 14 per cent. of sulphur. Until recently cinnabar was obtained almost entirely from Almaden, in Spain, but there are now very productive mines at New Almaden, in California. There are also mines in Idria (Austria), Germany, China, and Japan. Cinnabar, when artificially prepared, constitutes the pigment known as vermilion.

Cinnamon.—A plant of the laurel order, which supplies the aromatic bark from which the cinnamon and cassia bark of commerce is obtained. The finest kind is produced by the *Cinnamomum Zeylamicum,* which is extensively cultivated in Ceylon, though much is exported from the East Indies.

Citric Acid.—The acid contained in the juice of lemons, oranges, limes, gooseberries, and other acid fruits, and to which they owe their sour taste. For almost all practical purposes it is prepared entirely from lemon or lime juice, the juice being treated with chalk and slaked lime. Then citrate of calcium is formed as a white insoluble powder, which is collected and decomposed by the addition of dilute sulphuric acid. A solution of citric acid is obtained, and the colourless crystalline compound is the result of subsequent evaporation.

Citron.—The fruit of the *Citrus medica,* a species of lemon. The fruit itself is usually large, furrowed and warty, whilst the rind is extremely thick and spongy, and the pulp somewhat acid. It is cultivated in the tropics of both hemispheres, though it is a native of northern India. It is chiefly valued for the rind, which is particularly fragrant and of a fine yellow colour when ripe, and which is either candied or used as a preserve. The principal supplies of Great Britain are obtained from Italy, Greece, and Spain.

Civet.—An oily pomade-like substance, yellow when fresh, but gradually turning to brown by keeping, with a strong musky odour. It is obtained from the civet cat, a carnivorous animal which inhabits the warm countries of Africa, and especially Abyssinia, where it is domesticated.

Claret.—The light French red wines of Medoc, mostly shipped from Bordeaux. The different kinds of claret vary in their quality and value, but the name is ordinarily confined to the cheaper sort. Some, however, as Château Lafitte, are held in high repute.

Clay.—The name very generally applied to every kind of earth which makes a paste when water is added to it, and which is easily moulded and becomes hard when heated with fire. Clay mainly a compound of silica and alumina, though many other substances often enter into its composition, especially lime and iron. The purest form of clay is kaolin, or China clay, which is used in the manufacture of porcelain.

Cloves.—The well-known spice, the dried, unexpanded flower-buds of the *Caryophyllus aromaticus.* The best cloves are obtained from Amboyna, a small Dutch island in the East Indies. At one time the Dutch had a monopoly of cloves and nutmegs, but now the clove tree is cultivated in Java, Sumatra, Réunion, Mauritius, Zanzibar, and also in the West Indies.

Coal.—The most important of all fuels. It consists mainly of carbon with small quantities of oxygen, hydrogen, and nitrogen. There is also in addition a little mineral matter or ash. Coal

occurs in beds, the beds varying in thickness from a few inches to several feet. It is of vegetable origin, most probably being the remains of vast forests of the carboniferous period. The principal varieties of coal are (1) Brown, an impure substance, which shows distinct traces of its vegetable origin; (2) Bituminous, a hard and compact coal containing 88 per cent. of carbon, and splitting up into rough cubical masses; (3) Anthracite, containing 95 per cent. of carbon. This is hard, dense, and often lustrous, and does not soil the fingers when touched. The alteration of the vegetable matter has gone further in this kind than in ordinary coal. It is difficult to ignite, but it burns with little flame or smoke, and gives out an intense heat. It is particularly useful for marine engines, metallurgical operations, etc. The chief supplies are obtained in South Wales and the United States. (4) Cannel, compact and lustrous, and burns with a highly luminous flame. It is mostly used in the manufacture of coal gas.

Coal-tar.—This substance, also called gas tar, is a thick, black, opaque liquid which comes over when coal or petroleum is distilled, though it is now generally obtained in the manufacture of gas. Its great value consists in the fact that it is the source of benzene, and through benzene of the aniline dyes.

Cobalt.—A steel-grey metal with a reddish tinge, hard, brittle, and very magnetic. It is nearly as infusible as iron. It is rarely found native, and its ores are sparingly distributed, being generally combinations with arsenic and sulphur. Our imports are mainly from Germany. The metal alone is of little value, but many cobalt compounds are employed as pigments, being remarkable for beauty and brilliance of colour, and impart a magnificent blue tint to glass.

Coca.—A shrub which grows in many parts of South America. The leaves furnish a narcotic and stimulant, and are used in Europe in the manufacture of tonic wines.

Cochineal.—The scarlet and crimson dye-stuff obtained from the cochineal insect. It consists simply of the dried bodies of the female insect, *Coccus cacti*, a name given to it because it feeds upon plants of the cactus family. When dried the bodies have the appearance of tiny eggs, as many as 70,000 being required to make up one pound of the dye-stuff. The insect, as well as the cactus upon which it feeds, is a native of Mexico, but it is in Guatemala that the rearing of the cochineal and the cultivation of the cactus are mainly carried on.

Cocoa.—The seeds of the tropical tree, *Theobroma Cacao*, much used in the preparation of a beverage. The tree is a native of the West Indies and tropical America, though it is cultivated also in Asia and Africa. The fruit is shaped like a cucumber, and within are the seeds, the cocoa nibs of commerce, from which the cocoa is obtained. The chief supplies of Great Britain are derived from Trinidad and the states of Central America.

Cocoa-Nut.—The fruit of the palm *Cocos nucifera*, which grows near the sea in most tropical countries. The cocoa-nut is a native of the East Indian coasts, and the South Sea Islands, but the cultivation of the tree has been widely spread, and the nuts are now much used as food in the tropics. The kernel of the cocoa-nut contains a large percentage of fixed oil called cocoa-nut oil, or cocoa-nut butter. This oil is commercially valuable in the manufacture of stearine candles and of a marine soap which forms a lather with sea-water.

Cod.—The valuable food fish which belongs to the family of fishes in which the haddock, whiting, etc., are included.

Cod Liver Oil.—The oil obtained from the livers of certain fishes of the Gadidae order—cod, haddock, whiting, etc. It is produced in Newfoundland and Norway. An impure variety, coarse and unrefined, is also obtained during the making of the better oil, and this is known as cod oil. It is used chiefly by curriers.

Coerulein.—A recently introduced dye, used for the purposes of dyeing and calico printing. It is obtained by treating gallein with sulphuric acid. By dissolving coerulein in an alkaline solution a beautiful green colour is obtained which acts as a fast dye in combination with the mordant alumina.

Coffee.—The horny seeds of the coffee tree. A native of Abyssinia, it is now common throughout the tropical regions of Asia and America. India, Ceylon, Java, Brazil, and Arabia are the chief exporting countries.

Essence of coffee is a concentrated infusion of coffee mixed with extract of chicory and burnt sugar, the mixture being made as thick as molasses.

Cognac.—The best brandy, so called from the place of its manufacture, in the district of Charente, near Rochefort. In France cognac is often called "fin champagne."

Coir. (Also known as cocoa-nut fibre)

Obtained from the husks of the cocoa-nut. It possesses great strength and is capable of being worn for a long time, hence its value in the manufacture of hall mats, etc. Coarse brushes, ropes, and cables are also made of the fibre, especially by the Pacific islanders. The trade in the article is carried on almost exclusively by Ceylon, whence the supplies of the United Kingdom and the United States are obtained.

Coke.—The residue left when coal has been deprived of the greater part of its hydrogen, oxygen, and nitrogen. It bears the same relation to coal that wood charcoal bears to wood

Cola.—The ordinary name of the *Cola acumenata*, a tree of tropical Africa, valuable on account of its seeds or nuts, which are used as a condiment in Africa and South America, and in which an extensive trade is carried on.

Colchicum.—A plant belonging to the order of the lily family. The whole plant is acrid and somewhat poisonous, and contains an alkaloid colchicine or colchicia. The seeds are valuable in medicine, especially in cases of gout and rheumatism.

Collodion.—A solution of gun cotton or pyroxylin in a mixture of ether and ·ohol. The best gun cotton for its preparation is obtained from cotton-wool, nitre, and sulphuric acid.

Colocynth. The dried and powdered pulp of the bitter cucumber, a fruit much resembling an orange in appearance, and growing in immense quantities in N.E. Africa, Asia Minor, Syria, and Spain. The chief exports are from Smyrna.

Colophony.—The name often given to black resin, the solid substance left when crude turpentine is distilled. It is generally rolled up in pieces of paper, and used for rubbing the strings of violins, etc.

Colza.—The summer rape, a species of cabbage extensively grown in France and the north of Europe. From it an oil of a yellowish colour, called colza oil, is obtained by means of crushing mills. At one time this oil was used very generally for illuminating purposes, but latterly it has given way to the cheaper petroleum oils.

Comb.—The toothed instrument used for dressing and fastening the hair by all nations. The various substances used in the manufacture of combs include horn, tortoise-shell, ivory, bone, wood, metal, india-rubber, and xylonite, the first named being the most common.

Conchs.—The name given to large shells used for ornaments or for cutting cameos. They are found chiefly in the Bahamas.

Condurango Bark.—The bark of the *Gonolobus Condurango*, a climbing shrub of South America. It contains a drug which is reputed to be efficacious in cases of venomous bites, and which gives relief to patients suffering from cancer.

Conger.—Or conger-eel, a fish of the eel family, widely distributed, though the species vary considerably. The best known in England is the common conger, of a brownish-black colour, which is taken in large numbers off the coasts of Devonshire and Cornwall.

Contrayerva.—A plant of tropical America, the *Dorstenia Brasiliensis.* The root was at one time held in high repute on account of the drug obtained from it, which was supposed to be of great value in cases of low fever, and as a cure for snake-bites.

Copaiba or *Copaiva.*—This is a valuable drug, sometimes called balsam of copaiba, consisting chiefly of a resin and a volatile oil. It exudes from various trees of tropical America, in the neighbourhood of the Amazon, when an incision is made in the stems As a medicine it is used as a stimulant, and in cases when it is required to act powerfully upon the mucous membrane.

Copal. The name applied to gum resin obtained from various tropical trees, and of considerable value · the arts. It is exported largely from the East Indies, South America, and East Africa, especially Zanzibar.

Copalchi Bark.—The bark of the *Croton niveus*, a shrub of Central America, much resembling cascarilla in its properties, and with a flavour slightly resembling that of mace. It contains a bitter alkaloid resembling quinine, and is often used as a substitute for cinchona.

Copper.—The earliest metal known and worked, and valuable in the manufacture of bronze in the remotest ages. It · rarely found in a pure state, but the extraction from its ores is not a difficult process. The principal ores are opper pyrites, copper glance, and malachite. These are very widely distributed, and the smelting works of Swansea and its neighbourhood—the greatest centre of the process of smelting—draw supplies not only from Cornwall and Devonshire, but also from Spain, Portugal, and Australia. Copper has a reddish colour, takes a fine polish, and possesses a faint odour. It is hard, malleable, ductile, and tenacious, and one of the best known

conductors of heat and electricity. The alloys of copper are of enormous importance in manufactures. The best known are bell-metal, brass, bronze, gun metal, and speculum metal. Sulphate of copper, formed into large blue crystals and known as blue vitriol or bluestone, is used in calico printing and electro plating, and in the manufacture of various pigments. Acetate of copper is commonly known as verdigris.

Copperas.—Sulphate of iron, or green vitriol. It is used for dyeing black, in the manufacture of inks, and also as a dressing for crops.

Copra.—The commercial name for the dried kernel of the cocoa-nut when broken into small pieces. It is imported, mainly from Ceylon, for the sake of the cocoa-nut oil that it contains and which is expressed from it.

Coprolites.—The fossilised dung of certain extinct animals, chiefly of the lizard tribe. They are found in various strata, and occur in different shapes. Owing to the presence of phosphate of lime, coprolites have been largely used for manuring land and also in the preparation of artificial manures.

Coquilla Nut.—The seed of a South American palm. The seeds are largely exported from South America, the wood being cut and polished, and then used in the manufacture of buttons, umbrella knobs, etc. The wood is hard, takes a high polish, and has a beautiful brown mottled appearance.

Coral.—The name applied to the stony skeletons of certain marine animals belonging to the same class as the sea anemone. The red coral used for making beads, necklaces, etc., is found in the Mediterranean at a considerable depth. It is capable of taking a high polish, is very hard, and the finer qualities command high prices.

Coralline.—A red colouring substance resulting from the action of oxalic and sulphuric acids upon phenol.

Cordite.—The explosive made principally from gun-cotton and nitroglycerine, with the addition of vaseline.

Coriander.—An annual plant of the *Umbelliferae* order, a native of S.E. Europe and the Levant, but now widely distributed. Its seeds are red and aromatic, and a volatile oil is obtained from them. The seeds are sometimes used in medicine, and domestically they are employed for flavouring curries and spirits, and in the manufacture of confectionery, etc.

Cork.—The developed outer bark of the cork tree. This tree is grown largely in Spain and Portugal, from which countries the chief supplies are obtained, and also in Algeria and Tunis.

Corn.—The general name applied to food grains. In England the word generally signifies wheat, and in the United States maize, but in both countries rye, barley, and oats are included under the name "corn."

Cornel.—The fruit of the *Cornus mas*, also called the Cornelian cherry. It is the size of a small plum, and generally of a shining red colour. When ripe its taste resembles that of wine, and the fruit is used when preserved in the manufacture of various kinds of confectionery. In Turkey it is employed in flavouring sherbet. The wood of the cornel tree is hard and tough, and in much request by turners, joiners, and instrument makers.

Coromandel Wood.—The wood of the *Diospyrus hirsuta*, imported in logs and planks from India. It is employed in cabinet making.

Corozo.—A palm tree which grows in Central and South America. Its fruit is known as Corozo nuts, and these nuts contain a milky liquid which, when condensed, acquires a hardness almost equal to that of ivory. On this account the nuts are often called "vegetable ivory nuts." The milky substance, when hardened, is used for the manufacture of buttons, collar studs, sleeve links, and similar small articles. Supplies are obtained principally from Ecuador and Costa Rica.

Corrosive Sublimate.—The common name for bichloride of mercury, or mercuric chloride, a compound of chloride and mercury. It is a deadly poison, but is used as a preservative.

Corundum.—The name of a mineral species, including a variety of precious stones, such as the ruby, the sapphire, and the topaz, but confined commercially to the crystalline forms of emery. It is composed essentially of pure alumina, and is extremely hard, in this respect being inferior to the diamond alone. It is in great request for grinding and polishing machinery, plate glass, etc. Corundum is found abundantly in Asia Minor, India, China, and the United States.

Coto Bark.—A medicinal bark obtained from certain trees of tropical South America. Its use is very limited.

Cotton.—One of the most important of vegetable fibres, cultivated extensively in various parts of the world up to the

36th parallel of latitude. It is obtained from the seeds of various species of *Gossypium*, a genus of plants belonging to the mallow family, but there are really not more than three which yield the cotton of commerce.

Cowslip.—A common plant in many parts of England, and in other parts of Europe. Its flowers are somewhat like those of the primrose. These flowers are used in the manufacture of cowslip wine, when they are fermented with sugar.

Crab.—The well-known edible shell fish, belonging to the same family as the lobster and the cray fish.

Cranberry.—The name of a small, slender, creeping evergreen shrub. There are three species in Europe and Northern Asia. The cranberry of the United States and Canada is larger than the European plant. The berries, which have a sharp acid taste, are valuable for the making of tarts and preserves, and on account of their anti-scorbutic properties are much used on board ship. Wine is made from them in Siberia, and a beverage derived from them is sold in Russia.

Crape.—The thin gauze-like fabric made from raw silk, gummed and twisted at the mill, and from which all the gloss has been removed. It is usually dyed black, and is used for mourning. England is the principal country in which crape is made, though Lyons has no mean trade in the article.

Cream.—The fat of milk which exists in minute globules in new milk.

Cream of Tartar.—The crystallised bitartrate of potash. It occurs naturally in grape juice, and as it is insoluble in alcohol it is gradually deposited as argol. Cream of tartar is used medicinally as a diuretic and purgative.

Creasote.—The antiseptic oily substance obtained from the destructive distillation of wood. The creasote of commerce, however, is obtained from the distillation of coal tar. It is much used in the preservation of meats, etc., and it prevents the rotting of railway sleepers or other kinds of wood likely to be exposed to an excess of wet.

Cretonne.—The name originally applied to a particular white cloth of French manufacture. It is now used to denote printed cotton fabrics which are employed for making curtains and furniture covers, cretonne having taken the place of chintz.

Croton Oil.—An extremely powerful purgative oil expressed from the seeds of a plant grown in many parts of the West Indies, and in South-Africa. The oil is of a brownish colour, and has an extremely rancid and nauseous odour. Owing to its drastic properties, great care is required in its use. Externally, croton oil is employed as a liniment.

Crucible.—A vessel used for fusing metals, glass, etc. Crucibles are generally made of materials capable of being exposed to high temperatures. The most common are formed of porcelain or clay, or of a mixture of plumbago and clay. In certain cases platinum, gold, silver, iron, and lime are used.

Cryolite.—A double fluoride of sodium and aluminium, occurring in large deposits in Greenland, and also found in the Ural Mountains. It was at one time the principal source of aluminium. Now it is chiefly valuable on account of the alum and bicarbonate of soda obtained from it. Cryolite is also employed in the manufacture of glass.

Cubebs.—Otherwise cubeb pepper, the dried berries of the *Piper Cubeba*, or *Cubeba officinalis*, a climbing shrub of the East Indies. The seeds contain a volatile oil, a substance known as cubebin, and various resinous bodies, one of which is cubebic acid.

Cucumber.—The well-known tender annual table vegetable, *Cucumis sativus*, belonging to the gourd family.

Cudbear.—A preparation of archil, made in the form of a brownish red powder. It is very useful to the wool-dyer, as giving a brilliant bloom, but it is somewhat fugitive.

Culilaban Bark.—An aromatic bark, also called clove bark, obtained from a tree of the same genus as the cinnamon. It is imported from the East Indies. The odour of the bark resembles that of nutmegs and cloves. Its medicinal use is confined to cases of diarrhoea and indigestion.

Cummin.—A plant resembling the fennel, cultivated in southern Europe, North Africa, and India. The cummin seeds are the fruit of the *Cuminium cyminium*, the properties of which are similar to those of the caraway seeds, but somewhat stronger. The Dutch are said to mix cummin with their cheese, and in the north of Europe it is often added to bread. At one time used as a medicine it is now employed only by veterinary surgeons. Morocco is the chief exporting country.

Curaçoa.—The liqueur manufactured largely in Holland, principally at Amsterdam, from the dried rind of the

Curaçoa oranges. These oranges are obtained from the West India Island Curaçoa, a Dutch possession in the Gulf of Maracaybo.

Currants.—The common name for various species of plants of the genus *Ribes.* The best variety for jellies, wines, and preserves is the red currant, with its white variation, though the black currant is much prized. The grape currant is the fruit of the Corinth vine, a variety of the ordinary vine cultivated in the Ionian Islands. Greece possesses practically a monopoly of the supply of currants. The kinds distinguished in commerce are Cephalonia Gulf, Patras, Vastizza, and Zante.

Cutch.—(See *Catechu.*)

Cutlery.—The general name for cutting instruments such as knives, forks, scissors, razors, etc. In the manufacture of cutlery France and Germany have long been competitors with England in foreign markets, and the trade of Sheffield, the centre of the manufacture in the United Kingdom, has been much affected. In the United States also England has a most formidable competitor. The finest surgical instruments are made in Paris. In the manufacture of razors Sweden has become especially famous.

Damask.—The name given to certain fabrics, first worn at Damascus, into which elaborate patterns are introduced. There are silk, woollen, linen, and cotton damasks, but the chief are linen, and they are used for table-covers, napkins, furniture covers, etc. In Great Britain the principal seats of the linen manufacture are Barnsley in England, Dunfermline in Scotland, and Belfast in Ireland. Cotton damasks are produced at Manchester, Glasgow, and Paisley, and woollen damasks at Halifax and Bradford. Silk damasks are made in the neighbourhood of London.

Dammar.—(Also known as gum cat's eye.) The word is an Eastern one, signifying resin, but the dammar resin of commerce is the produce of certain pine trees. These trees are found in the East Indies, New Guinea, and New Zealand. The resin is also found in many places in a fossil condition, and this species is of the greatest commercial value. Dammar is chiefly used in the preparation of transparent and rapidly drying varnishes. Singapore is the chief exporting town of this article.

Damson.—The small oval variety of the common plum, much used for making preserves. A native of Damascus, the damson tree is now found in various parts of the world.

Dandelion.—A plant belonging to the natural order *Compositae*, common in all temperate regions. Dandelion abounds with a milky juice, of which the principal constituents are resin, inulin, sugar, and a peculiar crystalline principle taraxacin. This juice has a bitter taste, but is valuable medicinally as a tonic and in liver troubles. The root, when ground, is often mixed with coffee and chocolate, and is sometimes used as a substitute for coffee.

Date Palm.—A species of palm cultivated in immense quantities all over northern Africa, western Asia, and southern Europe. The fruit is in many instances used as the principal food of the inhabitants of the countries in which it grows, and when dried, the dates are exported from Egypt, Turkey, and Morocco.

Date Plum.—A tropical tree belonging to the ebony order, valuable on account of its timber and its fruit. From the fruit, when pounded, fermented and distilled beverages are made. The bark is bitter, and is employed medicinally in cases of cholera and diarrhoea.

Deals.—The name applied to particular sizes of pine wood when exported from the Baltic ports, though properly it should refer to any thicknesses in which timber is cut up. Deals are 3 inches thick and 9 inches wide.

Dextrine.—Also known as British gum. It is prepared from starch by the action of dilute acids at a high temperature, and also by the action of diastase. Dextrine is much used as a substitute for gum arabic in calico printing, and also as a mucilage for stiffening fabrics. It serves as a coating for adhesive stamps, envelopes, etc.

Diamond.—The most brilliant of all precious stones, though less highly valued than the ruby. It is the natural form of crystallised carbon, and is well known by its peculiar lustre. India, Brazil, and South Africa, especially the last named, are the principal diamond producing countries, and it is believed that the precious stones exist in Australia. An imperfect variety of diamond is bort, or boart, which is not capable of being used as an ornament, but is employed as an abrading agent when ground. Another variety is carbonado, black and opaque, found only in Brazil. Its density is less than that of the crystallised diamond, but its hardness is greater. Hence it is used for mounting

in the steel heads of rotary diamond drills for rock-boring.

Diaper.—A variety of linen or other cloth, generally figured with some pattern. It is produced by a process of twilling. Diaper is mainly used for table-linen, towels, etc.

Digitalis.—A genus of plants of the natural order *Scrophulariaceae*, natives chiefly of Europe and the north of Asia. One species only is found in Britain, the *Digitalis purpurea*, or common foxglove. The leaves of the plant are useful in medicine, especially in cases of heart disease.

Dill.—An aromatic plant, common in the East, in South Africa, and in the Mediterranean countries. The seeds are extensively used for flavouring pickles, sauces, etc., and medicinally they are employed as a remedy for flatulence and, in the form of dill water, for soothing infants. A volatile oil is obtained from the seeds by distillation, which is useful in scenting soaps.

Dimity.—A cotton fabric, stout and figured, used principally for bed-hangings and window curtains.

Dividivi.—The twisted pods of the *Caesalpinia coriaria*, a great leguminous tree, native of South America. They are very rich in tannin, and are extensively imported into Great Britain from South America, especially Venezuela, for the use of tanners and dyers.

Dogwood.—(Also called Dogberry.) A species of cornel tree. The wood is very hard, and is largely used for making the handles of tools, cogs for wheels, etc., while the young branches are cut to make skewers. An oil is extracted from the tree, which resembles olive oil, while the bark is employed medicinally as a purgative and a febrifuge. The best charcoal for the manufacture of gunpowder is produced by burning dogwood.

Dragon's Blood.—(Also called gum dragon.) The resinous exudation of different plants, principally the *Pterocarpus draco* of South America, and the red sandal tree of the East Indies. From Sumatra it is exported in sticks wrapped in palm leaves. Dragon's blood forms a part of the most useful varnishes. It is also used for dyeing horn the colour of tortoise-shell, for staining marble, for making certain tinctures, and for the manufacture of various kinds of tooth powder.

Dugong.—A marine animal, of the genus Sirenia, allied in some respects to the whale. It is found in the Indian and Pacific Oceans. From its fat an oil is boiled down, which has the peculiar virtue of not turning rancid, and which is medically employed as a substitute for cod-liver oil.

Durra.—A genus of grasses, also called durra millet, Indian millet, and sorgho grass. They are extensively cultivated in Africa and the East Indies. The common durra is a coarse strong grass, having a round grain, rather larger than a mustard seed. The produce yielded is very abundant, even rivalling maize, and when ground is largely used in Africa as a substitute for flour in making bread, and for rice in making puddings, etc. The leaves of the durra, as well as the grain, make excellent food for cattle.

Dye-stuffs.—The materials used by dyers for producing colours upon textiles and other substances. Those dyes which produce their effect without the aid of any other substance are called substantive dyes, while those which require an adjunct or mordant are called adjective dyes. The chief mordants used are the various metallic salts, especially those of tin and iron. Artificial dye-stuffs are now derived from coal-tar, especially the aniline colours.

Dynamite.—The powerful explosive first made of practical and commercial importance by Mr. Alfred Nobel, in 1867. It is composed of a mixture of nitro-glycerine and kieselguhr, a siliceous infusorial earth found chiefly in Germany.

Ear-Shell.—A genus of molluscs, belonging to the order *Haliotidae*. The shell is ear-shaped, and is pierced on the margin with a series of holes. On account of the beautiful tints of their linings these shells are much used for inlaying work and for ornamentation generally.

Earthenware.—A general name for cheap crockery or ordinary pottery ware. (See *Pottery*.)

Eau de Cologne.—The celebrated perfume first prepared in Cologne. For many years the process of its manufacture was kept a profound secret, but now the article is prepared in Great Britain. Eau de Cologne is made from the essential oils obtained from each of the following trees belonging to the orange tribe, viz., citron, orange, bergamot, neroli, and rosemary, added to a certain quantity of rectified spirits. An extract of geranium flowers is sometimes added.

Ebonite.—A species of vulcanised rubber, prepared at a very high temperature with sulphur, exposed to

pressure, and polished. It is used in the manufacture of various small articles such as toys.

Ebony.—A very hard wood, heavy and deep black in colour. It is obtained from various trees of the order *Ebenaceae.* It is only the heart wood, or the inner part of the trunk, that yields the black ebony, the outer part being white and soft. The best ebony comes from Mauritius, and the next in value is exported from Ceylon. It is used largely by cabinet makers and turners, and piano keys are often made from it. Many small articles, such as door-knobs, knife handles, etc., are likewise made out of this wood.

Edge Tools.—The general name applied to cutting instruments of metal, such as axes, chisels, knives, etc. The great centres of the edge tool industry are Sheffield and Birmingham, but the trade is now carried on extensively abroad.

Eel.—The soft-finned bony fish, distinguished by its serpent-like form. Eels are widely distributed over all the fresh waters and seas of the temperate and tropical zones.

Eggs.—The ova of birds. The eggs of fowls, which comprise about 80 per cent. of those used, enter largely into commerce and are imported both as an article of food and for use in manufactures. Great Britain imports them from most European countries and from various of her colonies. The dried white of eggs, or egg albumen, is a substance largely used in calico printing and in photography.

Eider Down.—The feathers obtained from the nests of the eider duck, noted for their softness, lightness, and warmth. The bird itself is a native of the frozen coasts of northern Europe and America, and the principal supplies of eider down are obtained from Greenland, Iceland. Sweden, and Norway.

Ejoo Fibre.—The fibre obtained from the *Arenga saccharifera,* a species of palm which grows in the East Indies. It is dark in colour and like horsehair in texture. On account of its durability it is often made into cordage and cables.

Elaterium.—A powerful purgative drug, obtained from the fruit of the squirting cucumber, a native of the Mediterranean countries.

Elecampane.—The bitter and aromatic roots of the *Inula Helenium,* a native of damp meadows in the south of Europe, and now grown in parts of North America. The powdered root is used medicinally as a stimulant, and as it possesses a peculiar violet-like odour it is employed in the manufacture of perfume.

Elemi.—A fragrant resinous substance obtained from different trees of the myrrh order. At one time there were various varieties of elemi in use, Mexican, Brazilian, and Mauritius, but the only one now in demand comes from Manilla. It is used in making ointments and plasters, and on account of its agreeable odour it enters into the composition of incense.

Elm.—A genus of trees belonging to the order *Ulmaceae.* The trees grow in all parts of Europe, and there are many fine varieties in England. The wood of the English elm is valuable on account of its strength, toughness, and durability.

Emerald.—A highly valued precious stone, a variety of the beryl, and differing from it only in the brilliancy of its colour. This colour is a velvety green. The finest specimens have been obtained from Colombia and Venezuela, while inferior ones are found in various parts of Europe.

Emery.—An impure dark-coloured variety of corundum, the colour being due to the presence of oxide of iron. It occurs in large masses in the Grecian Archipelago, in Asia Minor, and in Massachusetts. On account of its hardness emery is extensively employed for grinding, cutting, and polishing plate glass, flint glass, gems, jewels, edge-tools, etc.

Endive.—An annual plant of the same order as chicory. It is a native of China, but grows well in English gardens. Its leaves are much used as a salad.

Ergot.—A powerful medicinal agent obtained chiefly from the seed of rye or wheat by the action of a fungus which changes the appearance and constitution of the grain. The chief exporting countries are Germany and Russia.

Ermine.—The name of a carnivorous mammal belonging to the weasel family. Its white fur has long been used for trimming the robes of state dignitaries. The ermine is widely distributed through the northern parts of Europe, Asia, and America, and the skins are imported from Norway, Lapland, Siberia, and the Hudson Bay territories.

Esparto.—A species of grasses found in the various countries bordering on the Mediterranean Sea. They have long been used for the manufacture of carpets, ropes, baskets, nets, etc., but their

chief application in modern times has been for paper-making, and much care is now given to their cultivation and treatment. There are very large exports from Algiers to Great Britain.

Ether.—A colourless and very volatile liquid, composed of carbon, oxygen, and hydrogen. It is prepared by heating alcohol with sulphuric acid. Ether possesses an agreeable odour and a somewhat fiery taste. It is highly inflammable, and when its vapour is mixed with air an explosive mixture is formed. It volatilises spontaneously when unconfined, and this action takes place so rapidly that intense cold is produced. Hence its common use in freezing mixtures and freezing machines. When inhaled it produces temporary insensibility, and is often used as an anaesthetic, being sometimes preferred to chloroform owing to the absence of any of the ill-effects produced by the latter.

Eucalyptus.—A genus of plants belonging to the myrtle family, of which there are about 150 species. They form the most characteristic vegetation of Australia, the trees being remarkable for their great height. The cultivation has been introduced into Africa and Central America. They possess an aromatic odour of a peculiar character, and this is their main peculiarity. A resinous exudation is obtained from the eucalyptus tree, and this is used medicinally as an antiseptic, its camphor-like smell giving it a virtue of its own. A volatile oil is obtained from several species by distillation with water.

Euphorbium.—An excessively acrid gum-resin obtained from various species of the spurge family, in northern Africa, Arabia, the East Indies, and the Canary Islands. It is of a dirty yellow colour, and exudes from the bark of the trees when an incision is made. Its use is now chiefly confined to veterinary medicine, though it is sometimes mixed with Burgundy pitch for making plasters for affections of the joints.

Everlasting Flower.—The popular name of certain plants of the order *Compositae*, which have the peculiar property of retaining their colour and appearance for a long period after they have been gathered. The most common species is the ***Helichrysum bracteatum***, which is largely cultivated in the south of France, in Italy, and southern Germany.

Extract of Meat.—A preparation obtained by separating all the nutritious elements from animal food and condensing the same into small bulk.

Faience.—A name formerly given to all kinds of glazed earthenware, derived from the town of Faenza, where it was manufactured. It is a term now confined to the finer kinds of pottery.

Fan.—An instrument manufactured for the purpose of creating a current of air. Large fans used in mechanical operations and for ventilating purposes are generally made of various metals in the form of blades, and the current is kept up continuously by rotation. The ordinary fan is made of any light flat expanded substance, and the current is set up by the backward and forward movements of the hand. The huge fans used in India for ventilating rooms are called punkahs. Fan-making is a very considerable industry of China. Japan also does a large trade in the same articles. Ornamental fans, made of feathers, ivory, silk, tortoise-shell and other delicate and costly materials are chiefly manufactured in Paris, this industry forming one of the special trades of the French capital.

Farina.—The general name applied to many substances which are like flour or other starchy materials. In South America the meal of the cassara is called farina. Commercially the name is confined to the starch obtained from potatoes, and this article is prepared, for the purposes of adulteration, with arrowroot, tapioca, butter, and various other articles of food.

Feathers.—The plumage of birds of various kinds in which a large trade is done by many countries, and of which Great Britain annually imports enormous quantities.

Felt.—A fabric formed without either spinning or weaving. It depends for its structure upon the natural tendency of woollen fibres and certain kinds of hair to combine with each other. Felt is largely used for making carpets and covers of various kinds, and in many cases a printed pattern ornaments it. A peculiar coarse felt is the material out of which the Russian peasantry make their winter garments, and especially boots and shoes, as it alone is capable of resisting the intense cold of Siberia. Gun-wads and pianoforte hammers are other uses to which felt is put.

Fennel.—A plant of the umbelliferous order, rather like the dill, but distinguished from it by the nature of its fruit. It is very widely distributed throughout Europe and Asia. The seeds have an agreeable odour and flavour, and are

used as a condiment, especially in the preparation of macaroni by the Italians.

Fenugreek.—A genus of plants of the same class as the clover. It was used as fodder for cattle by the Greeks—hence its name. The seeds of the common fenugreek are largely used as a condiment in India, and in the manufacture of curry powder.

Feverfew.—A plant of the *Compositae* order, somewhat resembling the chrysanthemum, and closely allied to the camomile. It is commonly found in cornfields and hedgerows.

Fibre.—Properly the name "fibre" is applied to all substances which are employed to make cordage or to be woven into webs, whether animal, vegetable, or mineral. Commercially, however, the term is used only for those animal or vegetable substances which are suitable for textile manufactures. Of the animal ones the chief are silk, wool, and hair, and of the vegetable the principal are cotton, flax, jute, hemp, and esparto.

Fig.—The fruit of the *Ficus carica*, a plant belonging to the nettle order, but sometimes included in the mulberry order. It is a native of the East, but it is now successfully cultivated in many sub-tropical countries, and especially in the south of Europe. Enormous quantities are annually imported by Great Britain from Mediterranean countries. The best come from Smyrna, of which there are three qualities, Eleme, Erbeli, and Aidin.

Filberts.—(See *Hazel Nuts.*)

Fir.—A comprehensive name for many species of trees belonging to the order *Coniferae*. For the most part they are lofty and hardy, and their leaves are evergreen. One of the best known is the Norway spruce, which penetrates within the Arctic circle. It yields various products, such as resin, turpentine, tar, and lampblack.

Fireclay.—A variety of clay used in the manufacture of retorts, crucibles, etc., which can be heated to a very high temperature without fusing or softening. It is usually found in districts where coal is mined. It is obtained in Belgium, Germany, France, Sweden, and the United States as well as in Great Britain, the principal deposits in this country being near Newcastle-on-Tyne, Stourbridge, and Glasgow. There is a considerable export trade in Stourbridge clay.

Flagstones.—Stones used for paving, cisterns, etc. They are generally composed of sandstones combined with argillaceous or calcareous matter, and split easily into large flat slabs. The flagstones obtained from Festiniog in North Wales are remarkable for their even grain, those of Yorkshire for their hardness, and those of Caithness for their durability.

Flannel.—Woven woollen fabric, loose in texture, much used for underclothing on account of its warmth. Wales early gained a great reputation for its flannel, and that made from the wool of its mountain sheep still commands the best prices. Lancashire takes the second place and Yorkshire the third place as to both the extent and the value of the flannel manufactured. The chief towns in Wales engaged in the manufacture of flannel are Newtown, Welshpool, and Llangollen, in Lancashire, Bury and Rochdale, and in Yorkshire, Leeds and Halifax. Flannel shirtings are made at Auchterarder, in Scotland. There is now a large trade done by the United States in special flannels, and France produces fine dyed varieties.

Flavine.—A yellow dye-stuff, the concentrated preparation of quercitron bark, obtained from a species of oak, imported from the United States, and used for dyeing wool.

Flax.—The fibre obtained from plants of the order *Linaceae*. The best known of the many species of the plant, as well as the most important, is the annual common flax, *Linum usitatissimum*. It grows largely in Russia, Saxony, Belgium, Holland, Italy, and the north of France. For our linen manufactures we are almost entirely dependent upon the flax imported from various continental countries, the largest supply coming from Russia.

Flocks.—The refuse of wool, the ends of waste feathers, the husks of old cotton, and various other substances of the same kind, used for filling cheap mattresses and cushions.

Floor Cloth.—The name applied to various kinds of carpets, matting, and other coverings for the floors of rooms. In trade, however, a floor cloth generally signifies a strong thick canvas, oiled and painted, though it has been extended to linoleum and other substances in which cork is the chief article used. Oilcloths made of canvas are largely manufactured in Dundee and London.

Flour.—The meal of corn, especially wheat, finely ground and sifted. When exported from most countries it is ordinarily sent out in sacks, each sack containing 280 lbs., but from America

flour comes in barrels containing 196 lbs. each. The United States, Canada, Germany, and Austria are the countries from which we import most of our flour.

Flowers, Artificial.—Imitations of flowers extensively used for ornamentation and decoration. France manufactures more than the rest of the world put together. The making of wax flowers, which is a completely distinct trade, is almost exclusively carried on in England.

Fluor Spar.—A mineral of very frequent occurrence in Derbyshire, and on that account often known as Derbyshire spar. It is usually found in veins with other ores in the shape of cubical crystals. It is really fluoride of calcium. This mineral is hard, brittle, and transparent. Its most common colours are green, violet blue, and yellow, but many other varieties are met with. Besides its use for ornamental purposes, such as the manufacture of vases, etc., fluor spar is a valuable flux in the reduction of metallic ores.

Fox.—The well-known carnivorous animal valuable in commerce, however, only on account of its fur.

Frankincense.—A species of resin, soft, tough, and yellowish in colour, possessing an agreeable odour when burned. It is not fully ascertained what are the trees or shrubs from which the resin exudes, but they are certain species of firs and pines. The best frankincense is obtained from India, that of Arabia being much inferior in quality.

Fuchsine.—One of the aniline colours. It gives all the various tints of red, magenta, etc., to silk and wool. In France this dye is much used not only in the manufacture of light tissues, but also in the making and colouring of artificial flowers.

Fucus.—The name given to various species of sea-weed, which form the principal vegetation of rocky shores between the marks of high and low tides. It is found abundantly on the northern shores of Europe, Asia, and America. Its main use is for manuring land, its value depending upon the presence of a large proportion of ash. It is also employed in the preparation of iodine.

Fuller's Earth.—A soft, greasy, earthy clay, deriving its name from the fact that it is much used by the fuller in cleaning woollen cloth from grease. Fuller's earth is found in many localities in England, but the greatest quantities are obtained from Nutfield, near Reigate, in Surrey, and from the neighbourhood of Bath.

Fulminates.—The name of explosive compounds of which there are many varieties. They are formed by the action of alcohol on the nitrate of a metal in the presence of free nitric acid. The principal fulminates are those of mercury and silver.

Fur.—The short, fine, soft hair of certain animals, growing thick upon the skin, and distinguished from hair, the longer and stiffer material. The term is applied, however, to all skins which are covered with hair. The furs of the larger kinds are chiefly obtained from Siberia and North America, and of the smaller from various parts of Europe.

Fusel Oil.—(Also known as Potato Spirit.) The name "fusel oil" is given to the less volatile products separated during the distillation of various alcoholic liquors. It is often used in the adulteration of whisky.

Fusible Metal.—An alloy composed of the three metals bismuth, lead, and tin, with the addition in some cases of a small amount of cadmium. This alloy is known as fusible metal on account of the fact that it melts at a temperature below that of boiling water. As it expands upon solidifying, the metal is useful in stereotyping, and in taking casts of medals, etc.

Fustian.—A thick fabric made of twilled cotton, but including moleskin, velveteen, corduroy, and various other varieties. Manchester is the great centre of the industry.

Fustic.—The wood of a tree known as *Morus tinctoria*, which flourishes in India and in certain parts of tropical America. A yellow colour is obtained from it which is used in dyeing wool.

Galam Butter.—The name of a fatty substance obtained by boiling the roots of a species of *Bassia*, a native of the East Indies. It is of lard-like consistence, with a taste resembling that of cocoa.

Galangal.—A tree of the ginger order. The rhizome forms the bulk of the preserved ginger exported from China.

Galbanum.—A gum resin of a disagreeable odour and sharp taste. Medicinally it is very similar to asafoetida, though not so powerful. When taken internally it is supposed to alleviate rheumatic pains; externally it is applied as a plaster in cases of indolent swellings.

Galena.—(Also called Lead Glance.) This mineral is massive sulphide of lead, consisting of 86·6 parts of lead and 13·4 parts of sulphur. It is heavy and opaque, has a greyish colour, possesses metallic lustre, and occurs crystallised

in veins in granites, sandstones, limestones, etc. Almost all the lead of commerce is obtained from galena. It is abundantly distributed not only in Great Britain, but also in most of the European countries and in the United States.

Gallic Acid.—An acid occurring in small quantities in gall-nuts, sumach, dividivi, and other plants. It is generally prepared, however, from gall-nuts alone. Commercially it is used in the manufacture of inks. Medicinally it acts as an astringent, and owing to its peculiar properties it has been found very efficacious in cases of Bright's disease.

Galls.—(Also known as Gall-nuts and Oak Apples.) They are the abnormal excroscences formed upon the leaves and stalks of certain trees, especially species of oak trees, by gall insects which introduce their eggs and leave the larvae to develop. The best galls are obtained from Aleppo. They are useful by reason of the presence of large quantities of gallic and tannic acids, substances of value in the manufacture of ink and in tanning.

Galvanised Iron.—Iron coated with zinc to prevent its rusting by the oxidising action of air and water. Galvanised iron was first used for cooking vessels, but afterwards became very common for roofing purposes, and making buckets, telegraph wire, bolts for ships, etc. It is also used for water pipes. When galvanised iron is wrinkled it is termed corrugated iron.

Gambier.—An extract obtained from the leaves of certain shrubs which grow extensively in the East Indies. Gambier is of a brownish colour. It is chiefly valuable in tanning and dyeing. It is exported almost exclusively from Singapore.

Gamboge.—An acrid, yellowish gum resin, the product of various trees which grow in the East Indies. The best gamboge comes from Siam. When exported it is generally in the form of a pipe or roll, or in cylindrical masses. In the arts gamboge is employed in water-colour painting, in staining wood, and in coating brass-work.

Garancine.—A dye-stuff prepared from the madder root by treating it with sulphuric or hydrochloric acid.

Garnet.—The name rather of a group of minerals than of any one particular stone. Garnets are of various colours, though brownish red is the most ordinary. The garnet of commerce is obtained from Bohemia, Ceylon, Brazil, and Pegu, the best coming from the last mentioned place.

Gasolene.—A highly volatile distillate obtained from rectified petroleum. It is used for gas-engines and horseless carriages.

Gauze.—A thin, delicate, transparent texture woven of very fine fibre. Its name is said to have been derived from Gaza, in Palestine, where it was first made. Originally, it was a silken fabric, and large quantities are now produced by France and Switzerland.

Gelatine.—The name applied commercially to the product obtained from various animal tissues, and used for human food or in the arts according to its source and method of preparation. Gelatine proper is chiefly obtained from the softer parts of the hides and skins of oxen, calves, and sheep.

Gentian.—A plant of the order *Gentianaceae*, of which there are over one hundred species. The best known is the *Gentiana lutea*, which is gathered in many parts of the mountainous districts of southern Europe.

Geranium Oil.—The name of several kinds of essential oil which enter into commerce on account of their rose-like odour, and which are consequently used as a cheap substitute for oil of roses. Practically the whole of this substance is obtained from Algiers.

German Silver.—This metal is sometimes called nickel silver. It is a hard, silvery white compound, being an alloy of copper, nickel, and zinc. The three are mixed in various proportions. It has entirely superseded copper as the foundation of electro-plated goods.

Ghee.—(Or Ghi.) A species of fluid butter made from the milk of the buffalo. It is employed by the Hindoos for cooking, and also in the making of sweetmeats.

Gherkins.—(See *Cucumber.*)

Gin.—A distilled spirit prepared from malt or from raw grain, and then flavoured with juniper berries. The name is derived from the French name for juniper, *genièvre*. The manufacture of the best gin is peculiarly a Dutch industry, the principal town engaged being Schiedam. Hence the names Schiedam and Hollands.

Ginger.—The well-known spice, the product of the herbaceous tropical plant *Zingiber officinale*. The chief supplies of ginger are obtained from the West Indies and Africa, though a certain amount comes from the Far East. The best of all is imported from Jamaica.

Gingham.—A cotton fabric used for making dresses which was originally manufactured in India, but afterwards introduced into Europe. It is now essentially a British manufacture, Manchester and Glasgow being the principal centres.

Ginseng.—The root of the *Panax Ginseng.* The Hindoos, Chinese, and Japanese attribute most extraordinary medicinal properties to this root. The largest trade in ginseng is done between Korea and China, but there are considerable imports of the species of the plant into China from the United States.

Girasol.—A precious stone remarkable for its beautiful reflections of red and yellow under the influence of a strong light. It is a variety of quartz or rock crystal, having the appearance of the opal or the calcedony. The finest specimens have been found in Brazil and Mexico, but good varieties are also obtained in Hungary and Siberia.

Girder.—A beam supported at both ends and used for the purpose of carrying loads placed between the points of support. They are made of cast or wrought iron and steel.

Glass.—The mineral product, generally transparent, formed by the fusion of certain siliceous and alkaline matters, the mixture varying according to the requirements of the substance. Glass is largely made in England, especially at St. Helen's, in Lancashire, but there is a considerable import as well as export trade in this substance. The best sand for glass-making is obtained from France and Belgium.

Glauber's Salt.—Sulphate of soda, formed of compact, white, massive crystals, which effervesce rapidly. The powder has a bitter and saltish taste, and it enters into the composition of several mineral waters, such as those at Carlsbad and Cheltenham. It is also found in certain lakes in the United States.

Gloves.—Gloves are either woven and knitted, and made of cotton, silk, or wool, or cut out from leather and afterwards stitched. The first is a part of the hosiery trade. In England, Derby and Nottingham have a large trade in cotton gloves, whilst Leicester sends out great quantities of woollen gloves. On the Continent of Europe, Berlin and various towns in Saxony are the chief centres of the thread and cloth glove trade. France has long been renowned for the finish of its gloves. The best of the kid are made at Paris and Grenoble, whilst Vendôme is celebrated for its military gloves. Belgium and Denmark both export largely, Copenhagen having a very considerable trade. In England the chief seats of the manufacture of leather gloves are Worcester, Yeovil, Ludlow, and London. English dog-skin gloves are without a rival in the market.

Glucose.—The name of a variety of substances prepared from animal or vegetable products, but closely resembling each other in their properties. It is imported into the United Kingdom in liquid and solid form from France and the United States, especially for the use of brewers.

Glue.—An impure gelatinous substance obtained from a large number of animal products, and useful for its adhesive properties. Many thousands of tons are made and used annually in the United Kingdom, Scotch glue being accounted the best in the world. Bone glue is made in France and Germany, and is obtained as a by-product in the manufacture of bone charcoal. Marine glue is a substance used by shipbuilders for cementing purposes, though containing no gelatine at all.

Glycerine.—A colourless syrupy liquid with a pure sweet taste. It belongs to the series of alcohols, and is a compound of carbon, hydrogen, and oxygen. Glycerine is used as a preservative and an antiseptic, as a cosmetic and an emollient, in the manufacture of soap and perfumery, as a substitute for cod-liver oil, and in the preparation of nitro-glycerine, dynamite, and other explosives. It is further employed in calico-printing, in the preparation of leather, and for the purposes of improving the quality of wine and of imparting keeping power to beer.

Goats.—Animals found in many parts of the world, and reared on account of their flesh, their skin, and their hair. In Europe the largest numbers are reared in Spain, and the fewest in England, where the species is not considered of great value. The Angora and other Eastern goats are best known and are most highly prized. The skins of goats are tanned and employed in the manufacture of gloves and various kinds of leather.

Gold.—The beautiful yellow precious metal, which is largely imported as ore, bullion, and coin, and which is employed for coinage, ornaments, plate, and jewellery. It was formerly obtained in small quantities in various parts of Europe, in South America, and in India,

but for the last half-century Australia and California, and latterly South Africa especially, have supplied the demands of the world. The valley of the Yukon, in Alaska, promises well in the future.

Gold-beater's Skin.—The thin but tough membrane prepared from the outer coat of the great intestine of the ox.

Gold Leaf.—The thin leaf of gold, pure or alloyed, obtained by hammering. The best gold leaf is made from 23-carat gold. The metal is cast into a thin ingot, and ultimately the thickness is reduced to $\frac{1}{282000}$ of an inch. The finished leaves are trimmed and generally made up into books of 25 leaves. They are employed for gilding.

Gold Plate.—(See *Plate.*)

Gooseberry.—The fruit of the *Ribes Grossularia*, a prickly shrub with small, greenish flowers. The fruit is well known, and is sold in enormous quantities in the northern parts of Europe and America. In the south of Europe it is very little known. There are many varieties, and the cultivation is rapidly extending. The best gooseberries in England are produced in Lancashire.

Gourd.—A genus of plants of the order *Cucurbita*, found in many parts of Europe, Asia, and North America. In the tropics the fruit attains a great size, and is used as a food, both for mankind and for cattle. In English gardens there are various species of gourd to be found, especially the common pumpkin and the vegetable marrow.

Grains of Paradise.—Otherwise known as Malaguetta pepper. The name given to the seeds of the *Amomum Grana Paradisi*, a plant of the Ginger order, which grows in Madagascar, Ceylon, and Guinea. By the natives these seeds are used as a spice and a condiment, but in Europe their legitimate employment is confined to veterinary medicines.

Gram.—(Or Chick-pea.) The name given in India to various kinds of pulse belonging to the order *Leguminosae*. It is somewhat extensively cultivated in the south of Europe and in India for the sake of its seeds, which are eaten by the natives of the latter country. There are considerable imports into Great Britain from India for horse and cattle food.

Granite.—The well-known and easily recognised rock, of igneous origin, composed of felspar, mica, and quartz in varying proportions, though felspar is the main ingredient, seldom forming less than one-half of the whole. The felspar is of a pinkish colour, and occurs in crystals of varied sizes, the mica, which is of a yellowish tint, occurs in thin plates irregularly distributed throughout the rock, while the quartz is in glassy masses. The texture and colour of granites naturally differ according to the colour and proportion of their constituents. The principal colours are red, grey, and white. The best British granites are the grey Aberdeen and the red Peterhead. The latter is much admired when polished, and is especially used for columns in public buildings and for ornamental grave stones. On the continent, Sweden, Italy, Switzerland supply most of the granite required, and the rock is extensively worked for home use in the United States and Canada.

Grape.—(See *Wine.*)

Grape Sugar.—(See *Sugar.*)

Graphite. (See *Blacklead.*)

Grass Cloth.—The fine soft fabric woven in China, and made from the fibre of a species of nettle. The plant is often wrongly called China grass.

Grass Oil.—The name applied to a certain number of volatile oils, derived from different plants.

Grease.—The general name for any kind of unctuous refuse, more especially animal fat. It has, however, been frequently confined to those fatty matters which possess a certain amount of solidity, and which are deteriorated by impurities to such an extent that they cannot be used for such purposes as candle-making. Grease is extensively used as a lubricant, and is in great demand for certain processes, such as currying leather. Currier's grease is a mixture of tallow and cod oil. That used for the axles of wagons and carts is made of tallow, palm-oil, common soda, and water. Sometimes a little tar is added, and the proportions of the ingredients differ in summer and winter.

Greasy Wool.—The wool or fleece of sheep when shorn and still unscoured. A great portion of the wool which comes from Australia and the Cape is in this condition, and greasy.

Greengage.—A cultivated variety of the common plum, its round fruit being green in colour. By the French it is esteemed as one of the finest varieties in cultivation, and known by them under the name of "Reine Claude."

Greenheart.—A large tree of the laurel order, a native of Guiana. The name "greenheart" is derived from the colour of the wood. The timber itself is of considerable value, being very hard and

durable, and heavier than water. It is much used for shipbuilding and for turning. It is also employed in large engineering works where great strength is required.

Grindstones.—Cylindrical shaped sharp sandstone or gritstone employed for grinding and giving an edge to cutlery, tools, etc. In the trade they are commonly known as "foots." The best natural stones are obtained in Staffordshire. Artificial stones, made by combining grains of sand with silicate of lime, are now largely superseding natural stones.

Groats.—Oats which have been shelled and deprived of their husks.

Ground Nuts.—The product of a plant which is a native of Africa, though it is cultivated in the West Indies and in India. It is remarkable from the fact that the pods of nuts are first formed in the air, and are afterwards forced into the ground as they increase in size and there ripen. Ground nuts are valuable as a food in the regions where they abound, and enter largely into commerce on account of the oil which they contain.

Gruyère.—The name of a famous cheese manufactured at the town of the same name and in the whole canton of Freiburg, in Switzerland.

Guaiacum.—The resinous product of a West Indian tree, which flows spontaneously from the stem. It is of a greenish colour, has an agreeable odour, and possesses a sweetish taste. Medicinally it is used in the preparation of various powders, pills, and tinctures—its best known use being in the compounding of Plummer's Pills.

Guano.—The accumulated dry excrement of animals, especially of sea-fowl, found in enormous quantities in many of the islands of the Pacific and off the coast of Bolivia.

Guava.—The pulpy many-seeded fruit of a species of *Psidium*, a tree belonging to the Myrtle family. There are many varieties of the plant, the best known being the large yellow guava of the West Indies and Brazil, which is now grown somewhat extensively also in the East Indies.

Guiana Bark.—The bark of a species of cinchona tree, extensively grown in French Guiana, the only country from which the bark is exported. This bark is medicinally valuable as a powerful febrifuge.

Gum.—The general trade name for various exudations from plants and trees growing in the tropics. Many of the so-called gums are, in fact, resins. They differ widely in their characters and properties, but generally speaking, gums may be divided into three classes, those containing arabin, those containing bassorin, and gum-resins. The chief imports are obtained from the West Coast of Africa and from India.

Gun Cotton.—The powerful explosive used in mining and other operations when a great rending or shattering effect is desired. In England the substance is generally obtained in the following manner. Cotton waste, thoroughly freed from grease by boiling with alkalies, is carefully picked, and the fibre separated by passing the waste through what is called a teasing machine. It is then dried, cut into specified lengths, and prepared for dipping int· a mixture of sulphuric and nitric acids, the mixture consisting of three parts of the former and two of the latter. Any excess of acid is washed off, and the residue is reduced to a pulp, pressed hydraulically to one-third of its bulk, and moulded into various shapes and sizes for storing.

Gunjah.—A narcotic drug akin to bhang and hashish, obtained from the flowering tops of the Indian hemp plant. The cultivation is almost entirely confined to a small tract in Bengal, called Rajshahye.

Gunny Bags.—Sacks woven from the coarse fibre of the jute plant. The name gunny is also applied to the coarse strong sacking manufactured from the same fibre. The bags and the sacking are largely exported from India, especially Bengal, to the United States, Australia, the Straits Settlements, and other countries. The gunny bags are mainly used for wool packs, and as sacks for grain, seed, and salt. Bags and cloth of a similar kind are now made in Dundee.

Gunpowder.—The well-known explosive used for firearms, blasting, and in the manufacture of fireworks. It is a mechanical mixture of nitre, charcoal, and sulphur. The ingredients are mixed in different proportions in different countries, but in England the three are in the ratio of 75, 15, 10.

Gurjun Balsam.—(Also called Wood Oil.) This is an oleo-resinous substance resembling copaiba in its appearance and medicinal properties. It is procured from various trees in Bengal by incisions and heating the trees with fire. In the East gurjun has been much used in skin diseases, and latterly it has found favour in England for cases of eczema and lupus.

In tropical Asia it is also used as a varnish for boots, and for resisting the attacks of ants upon timber.

Gutta-percha.—A substance resembling india-rubber in many respects, and often confounded with it in the public mind. The great difference between the two consists in the fact that gutta-percha is non-elastic, while india-rubber is elastic. Gutta-percha is the exudation of many species of trees, though the principal one is the *Isonandra Gutta*, which grows extensively in Sumatra, Borneo, and other East Indian Islands, and whence the whole supply of gutta-percha is obtained.

Gypsum.—A widely distributed and abundant mineral, usually white, but often with a yellowish or brownish tint. It is composed of sulphate of lime and water. The marble-like variety is called alabaster, the transparent and crystallised selenite, and the fibrous satin spar. Gypsum is used for ornamental purposes, though its liability to be scratched, on account of its softness, has not made its employment very extensive.

Haberdashery.—The general trade name for threads, tapes, fringes, trimmings, and small wares of the same nature. The haberdashery trade is generally combined with the woollen drapery trade, and in the export returns it is classed with millinery, embroidery, and needlework.

Haddock.—The small fish, *Gadus aeglefinus*, of the same genus as the cod-fish, which enters largely into commerce, in both its fresh and its dried state. It is almost entirely confined to the coasts of Britain, and when dried and smoked is exported, especially to the countries of southern Europe, in large quantities.

Haematite.—One of the principal ores of iron. It is so called on account of the blood-red colour of one variety, a sesquioxide of iron, which occurs in large kidney-shaped masses in different parts of Great Britain, but especially in North Lancashire and Cumberland. It is valuable in the preparation of the purest form of iron.

Hair.—Besides the hair of various animals used in the manufacture of implements and for the purposes of stuffing, etc., human hair is an article of commerce of no inconsiderable dimensions. The supplies of Great Britain are obtained chiefly from France, Germany, India, and China. It is used for making up into wigs. The hair imported from Asia is of a coarser description, and this is worked up into watch guards, brooches, bracelets, etc.

Hake.—A genus of fish of the cod family found in the seas off the English and North American coasts. It is an important article of food and commerce, both in its fresh and in its dried state. It is dried in the same manner as cod and ling.

Halibut.—A large flat fish, somewhat like the turbot. It is common in the northern seas, though it is rarely found in latitudes lower than the English Channel. It is much prized in Greenland, and is not only used as an article of food, but as the source of a valuable oil. When dried it is sent, like so much other dried fish, to the countries of southern Europe.

Ham.—The cured hind legs of pigs, though the name is not infrequently applied to the preserved flesh of other animals, especially to mutton and beef.

Hardware.—The general trade name for all kinds of articles manufactured from iron, steel, copper, brass, etc., especially ironmongery, cutlery, and implements. In England the chief centres of manufacture are Birmingham, Sheffield, and Wolverhampton.

Hare.—The well-known rodent, valuable on account of its flesh and its fur.

Harmonium.—A keyed musical instrument, generally of a compass of five octaves, in which the sounds are produced by a current of air passing through vibrating reeds, the air being supplied from bellows worked by the feet of the performer. The French excel in the manufacture of this instrument, though large numbers are made every year in England.

Hartshorn.—The filings of the antlers of the red deer. The products derived on distillation are known as oil of hartshorn, salt of hartshorn, spirits of hartshorn, etc.

Hat.—The covering of the head, made of innumerable varieties of material when intended for women, and of straw, cloth, felt, or silk when intended for men. In the felt-hat trade the fur of rabbits and beavers is mostly used, but the commonest felt hats are made of sheep's wool. For the finest felt hats camels' hair is the article in demand. There are extensive exports of hats from Great Britain, particularly of straw and felt. The felt-hat trade is principally carried on in the small towns around Manchester.

Hay.—Dried grass, often mixed with clover and other allied plants, used as

fodder for horses and cattle. In England meadow grass is that used for the preparation of hay.

Hazel Nuts.—The edible fruit of the *Corylus Avellana*, a small tree grown in Britain and in the temperate parts of Europe, Asia, and America. Different species are known as filberts and cob-nuts. The Spanish or Barcelona nuts are another species of hazel nuts, and a still further variety is found in and exported from Turkey. Imports into Britain are obtained chiefly from Tarragona. An oil is extracted from the nuts which is used by painters on account of its drying properties, and by perfumers in the manufacture of fragrant oils. From the bark of the hazel tree another oil is obtained which is sometimes used medicinally as a vermifuge.

Hellebore.—The name of two distinct plants, *Veratrum album* and *Veratrum viride*, the roots of which are sometimes used in medicine on account of their powerful effects in cases of mania, epilepsy, and dropsy.

Hematite.—(See *Haematite.*)

Hemp.—The name applied to various vegetable substances cultivated on account of their fibre, but principally to the *Cannabis sativa*, a native of central Asia, though now widely distributed over Asia, Europe, and Africa. The hemp fibre is obtained from the bark after long steeping in water. Hemp, dressed and undressed, is a most important article of commerce, and there are very large exports to various parts of the world from Russia, Germany, and Italy. The finest hemp is produced by the last mentioned country. It is specially employed for the weaving of cloth and the manufacture of thread, rope, and cordage. In India hemp is grown not so much on account of its fibre, but for the narcotic obtained from a resinous secretion. From hemp seed an illuminating oil can be extracted by pressure. The oil is used by the Russian peasantry.

Henbane.—A plant belonging to the same order as the potato, tobacco, deadly nightshade, etc. It grows spontaneously in Great Britain in waste places, and also in many parts of Europe. Though containing a poisonous alkaloid of great power, henbane can often be usefully employed medicinally, both externally and internally, the dry leaves being the valuable part of the plant. As a narcotic it has peculiar advantages over laudanum and opium. It forms a good substitute for belladonna.

Henna.—The leaves of a small shrub cultivated in N. Africa and S. Asia, sometimes known as Egyptian privet or Jamaica mignonette. From the leaves a colouring matter is obtained which, when dried, powdered, and made into a paste with water and catechu, is used throughout the East to stain the nails and tips of the fingers. It is also employed to dye skins and leather a reddish-yellow colour. There are considerable exports from Persia and Egypt, especially into Turkey.

Herring.—The well-known fish *Clupea harengus*, caught in great shoals for food. The fishery is largely carried on off the coasts of Great Britain, Norway, and Newfoundland. The shoals visit the east coast of Britain in June, appearing first at Wick, and they gradually move southwards, reaching Kent before the end of the year.

Hides.—The skins of large animals. They enter into commerce either as market hides, delivered direct from slaughter houses, or salted and dried hides imported from pastoral countries abroad in bundles or bales.

Hock.—A light German wine, either still or sparkling, the name generally applied to those wines which come from the Rhine provinces. Hock is a contraction of Hochheim, a town in the province of Hessen Nassau, the centre of the manufacture of Rhine wines.

Honey.—The thick saccharine liquid substance secreted by bees, and deposited by them in the combs of their hives. The two principal kinds are yellow and white. The most celebrated continental honey comes from Narbonne and Chamounix, and the greatest quantity is imported from America, especially from California. The honey is extracted by straining the comb in a very gentle heat. Honey is used in the preparation of the fermented liquor mead.

Hoofs.—The horny protection of the feet of many domestic animals, which are imported for the manufacture of combs and buttons. Hoofs are also employed in the manufacture of prussiate of potash and of artificial manures.

Hop.—The hop is a plant with twining stems, of luxuriant growth and abundant foliage. It is allied to the hemp and the nettle. It is cultivated on account of its catkins or strobiles which, when powdered, contain a substance called lupuline, of a golden yellow colour. The catkins are extensively used for brewing, the lupuline giving the bitter flavour to the beer. Medicinally hops are

5—(1420)

employed on account of their narcotic properties. Hop-growing is now carried on chiefly in Kent, Sussex, Worcester, and Hereford in England, but the English crop falls far short of what is required. The deficiency is made up by imports from America and various countries of Europe.

Horns.—The hard-pointed excrescences growing on the heads of various animals, especially oxen, sheep, and goats. The antlers of the various kinds of deer are not horn. The largest supply is obtained from India, South America and the Cape being next in order. Horn is employed, according to its size, in the manufacture of a vast number of articles, ornamental and otherwise, cups, carvers, knife-handles, and umbrella handles being amongst the most common.

Hornbeam.—A tree quite common in Europe, and valued on account of its wood, which is white, compact, hard, and tough. The wood is much used for making the cogs of mill-wheels, and in the manufacture of agricultural implements. When burned it produces good charcoal.

Horsehair.—Horsehair is imported to a considerable extent, one-fifth of the whole coming from Russia. The hair combed from the tails of horses is the most valuable, that obtained from the manes being much inferior in quality. Short hair is used for stuffing couches, mattresses, etc., and long hair is employed in the manufacture of hair seating, sacking, gloves, brushes, etc.

Horse Radish.—The root of the *Cochlearia Armoracia*, a plant cultivated in Britain and in many other parts of Europe, and exported from Germany in considerable quantities. This root is highly stimulating, and is most frequently used when scraped as a condiment with roast-beef. Medicinally it is valuable as being the most powerful antiscorbutic known.

Horses.—A large export and import trade is done by the United Kingdom in live horses, the largest number of animals coming until recently from Germany. The hides, grease, and hair of horses are commercial articles of vast importance, and many hides are received annually, principally for the manufacture of leather. The greater portion of the hides come from South America.

Hosiery.—The name originally applied to stockings, but now extended so as to comprise under garments generally, made either of cotton, wool, or silk. The centres of manufacture in England are Nottingham, and Leicester, and in Scotland, Hawick. Hosiery is one of the most important exports of Great Britain.

Huckaback.—A coarse hemp fabric, sometimes figured like damask. It is commonly used for the manufacture of table-cloths and towels.

Hydrochloric Acid.—One of the most important compounds in inorganic chemistry. Under ordinary conditions it is a gas, and is easily prepared from common salt by the action of sulphuric acid, the other product of the reaction being sulphate of soda. Its uses are very extensive in dyeing, calico-printing, bleaching, etc.

Hydrocyanic Acid.—Otherwise prussic acid, a compound of carbon, hydrogen, and nitrogen. This is a most deadly and violent poison, and remarkably rapid in its action. Medicinally it is used in a very diluted form as an ingredient of lotions to diminish itching in skin diseases, and internally, it is taken in small quantities to relieve pains of the stomach, vomiting, and functional palpitation of the heart.

Hydrogen Peroxide.—A thick, transparent, colourless liquid, which has no smell, but possesses a bitter taste. It bleaches the majority of vegetable colours, and is much used for the hair. In dilute solution it is frequently employed for the restoration of oil paintings.

Hyssop.—A plant of the order *Labiatae*, of which there are but few species. Common hyssop, *Hyssopus officinalis*, is a native of southern Europe, especially of the Alps and Austria, but it now grows extensively in the East. It has an agreeable aromatic odour. The leaves and the young shoots of the plant are sometimes used as a seasoning for culinary purposes.

Ice.—An enormous quantity of ice is now produced artificially by freezing machines and freezing mixtures. These are of various kinds, but in the main, the manufacture of ice is carried on through the abstraction of heat from water, by the vaporisation of liquid ammonia or ether. But in addition there is a large amount of natural ice imported annually into Great Britain, almost the whole of the supply for Great Britain being derived from Drobak, a small town near Christiania, in Norway.

Iceland Moss.—A leafy lichen found in northern latitudes generally, and valued for its nutritive and medicinal qualities. Naturally it has a bitterness of taste,

but this bitterness is removed by steeping in water. It forms an excellent food for invalids, and medicinally it is used in cases of lung diseases.

Iceland Spar.—A glassy mineral, otherwise known as calcite or calc-spar. It is frequently found associated with metallic ores, and often in connection with limestone and other rocks. It has the peculiar phenomenon of double refraction, and is therefore used in the construction of polarising instruments.

Ignatius Beans.—The seeds of the *Ignatia amara*, a tree closely allied to the *Nux vomica*, and a native of the Philippine Islands.

Immortelles. (See *Everlasting Flowers.*)

Indian Corn.—(See *Maize.*)

India-rubber.—(See *Caoutchouc.*)

Indigo.—This important dark-blue dye-stuff is obtained from many species of plants which grow in the tropics and at the Cape. The chief source, however, of commercial indigo is the *Indigofera tinctoria*, a plant of Bengal. Other kinds are obtained from Java, Central America, and West Africa. Indigo is the best substance for dyeing woollen cloth and for calico printing. Latterly artificial indigo has been obtained from a coal-tar product, and the production of natural indigo is seriously threatened.

Ink.—The substance used for writing and printing, the former kind being fluid and the latter thick or viscous. There are many methods of manufacturing writing inks, but the best black consists of a solution of ferrous sulphate, or copperas, added to an infusion of gall nuts, together with a small quantity of gum. For inferior inks shumac takes the place of gall nuts. Coloured inks are obtained by the addition of vegetable dyes or aniline solutions. In the manufacture of copying ink, sugar, and gum or glycerine are mixed with ordinary ink. Printer's ink is a greasy or oily compound, the commonest kind being a mixture of oils made from paraffin and resin and ordinary lampblack. For the better sort lampblack, or other mineral colouring matter, is mixed with special oils or varnishes. Marking ink consists of a solution of nitrate of silver, gum, carbonate of soda, and ammonia.

Iodine.—One of the chemical non-metallic elements which is very widely distributed over the world in combination with other substances. It was at one time largely prepared from kelp or seaweed ash, but more recently it has been obtained from the salines of France and England, and in South America it is prepared from the iodate of sodium, a substance which is associated with nitrate of sodium in native Chili saltpetre. Iodine is extensively used in photography, and some of its compounds are most important in medicine, iodine of potassium having a prominent position in the pharmacopoeia.

Ipecacuanha.—The valuable medicine derived from the creeping herbaceous plant *Cephaelis Ipecacuanha*, a member of the Peruvian bark family. It is a native of Brazil, and the dried root is exported from Rio Janeiro, Buenos Ayres, and other South American ports. Recently the cultivation of the plant has been introduced into India and Ceylon.

Iridium.—A rare and expensive metal, found native in the Ural Mountains, and also combined with osmium. It is very hard, white, and brittle, and is not acted upon by any acid, though as an alloy it dissolves in aqua regia. On account of its hardness iridium is used for pen nibs, for the wearing points of scientific instruments, and for contact points in telegraphy.

Irish Moss.—(See *Carrageen.*)

Iron.—The most important of all minerals. Iron occurs native almost exclusively in meteorites, where it is usually associated with nickel, and in certain volcanic rocks, such as the basalts of Greenland, in which it is scattered about in grains and nodules. The iron of commerce is obtained exclusively from ores of the metal, and, in by far the greater quantity, from the oxides of iron. The most important ore of iron is the red oxide known as haematite, which occurs in a variety of forms. Considerably less important than haematite, but yet very important in itself, is the yellow oxide of iron, or limonite. In some of its forms it has much the appearance of haematite, but it can generally be distinguished by its brown colour, yellow streak, and yellow powder. It is largely a bog deposit, hence the name bog iron ore, and it is frequently even used as an ore for manufacturing purposes, in a crumbly earthy condition. Brown and yellow ochre pigments are manufactured from limonite. A third oxide of iron is magnetite, which, as the name suggests, has the quality of being attracted by a magnet. One variety, known as lodestone, is a true magnet in itself. A mineral much resembling magnetite, but with much feebler magnetic qualities, and having both zinc and manganese

in its composition, in addition to iron, is franklinite. The ore known as spathic iron is obtained from the carbonate of that metal, forming the mineral siderite. It occurs in yellowish-brown rhombohedral crystals, having a specific gravity of less than four. One of the most familiar of all iron ores, but of no service for the extraction of the metal itself, is the sulphur ore, or iron pyrites. The beautiful and highly lustrous crystals of this mineral are likely to occur in almost any kind of rock. Almost the only service to which pyrites are put to-day in the arts is the making of sulphur and sulphuric acid. Another sulphur ore of iron is known as pyrrhotite, or magnetic pyrites. Its reddish or bronze colour readily serves to distinguish it from ordinary pyrites, and its frequent association with nickel makes it one of the most valuable ores of that metal.

Iron Wood.—The name given to the timber of various trees, on account of its hardness and weight. The timber in almost every case is exceedingly close grained, and sinks in water. The trees from which the timber is obtained are almost entirely Asiatic or African.

Isinglass.—A variety of gelatine, prepared from the air bags or sounds of certain fishes. Brazil does a considerable trade in the substance, Maranham being the exporting town. Other supplies are obtained from the United States, Canada, and the East Indies. It is used in the manufacture of glues, plasters, diamond cement, jellies, and confectionery, in refining wines and liquors, and in giving a gloss to silk ribbons.

Istle.—The fibre obtained from the *Bromelia sylvestris*, a tree of Mexico, and valuable for brush-making.

Ivory.—The general name for the white dentine in the teeth and tusks of certain large animals, such as the elephant, narwhal, walrus, and hippopotamus. The ivory of commerce is chiefly obtained from the tusks of elephants, and is shipped mainly from Zanzibar and Pemba. Asiatic ivory, obtained in India, Further India, and in the Eastern Archipelago, is used in the regions where it is obtained, and very little is exported. African ivory is preferred to Asiatic, as its texture is closer, and it takes a much finer polish. Asiatic ivory is very white when fresh, but becomes yellow on exposure to the air. A small quantity of ivory is obtained from Siberia, being the tusks of the extinct mammoth.

Ivory Black.—An animal charcoal, obtained by heating the shavings of ivory in a closed iron cylinder. (See *Charcoal.*)

Ivory, Vegetable.—The product of a species of palm-tree, the *Phytelephas macrocarpa*, which grows in the Andean plains and along the banks of the Magdalena. The so-called ivory is obtained from the nuts of the palm, and are known also as Corozo nuts in commerce. Vegetable ivory is used in the manufacture of buttons, umbrella handles, knobs for doors, toys, etc., and for inlaying.

Jaborandi.—The name of certain drugs obtained from various plants in South America. Jaborandi is sometimes employed by oculists, and is considered efficacious in cases of Bright's disease.

Jacaranda.—A general name in Brazil for many species of rosewood which are grown there. The wood itself is very hard, heavy, and brown, and has a faint, agreeable, rose-like smell. It is extensively used by joiners and cabinet makers, and the whole supply is obtained from South America.

Jaconet.—The name of a species of light soft muslin of an open texture, used for dresses, neck cloths, frills, ruffles, etc.

Jade.—A hard, compact, translucent mineral, of different shades of colour, white, yellow, green, etc., much prized in China, where it is found in considerable quantities. It is also found in Burmah and New Zealand. The Chinese work up this mineral into most beautiful ornaments, and there is a special jade market in Canton.

Jaggery.—The name used in India for a variety of crude sugar obtained from the palm.

Jalap.—The well-known purgative, obtained from the dried tubers of the *Ipomoea purga*, a native of Mexico. It derives its name from the city of Jalapa, where it is found in great plenty.

Jamaica Pepper.—(See *Pimento.*)

Jamun.—The fruit of the *Syzygium Jambolana*, an Indian plant. It is a species of long dark-coloured plum and about the size of a large date. Its taste is sharp, but it makes an excellent preserve. Large quantities of the fruit are sent from India to England, and besides its use as a substitute for black currant jam it is employed to flavour other jams.

Japan Wax.—The vegetable wax obtained from the leaves, branches, and small berry fruit of the *Rhus succedanea*,

a Japanese plant. Japan wax is more unctuous than ordinary beeswax, but it is more easily worked. Although it is an article of commerce the amount imported into Great Britain is very slight.

Japanned Wares.—Articles of wood, metal, and papier maché coated with varnish or lacquer and hardened by heat. The art of japanning is carried to perfection in Japan, hence its name. Japanned wares are turned out in large quantities at Birmingham, the commonest kinds being tea-trays, coal-boxes, canisters, etc. White japan is often used to give the internal finish to portable baths.

Jarrah.—A valuable timber obtained from the *Eucalyptus rostrata* and the *Eucalyptus marginata*, trees which grow somewhat extensively in Western Australia. When the wood is sound and the trees are felled at the proper season, jarrah is of great value for use as wharf piles, railway sleepers, and telegraph posts, owing to the presence of a pungent acid which repels certain destructive insects. It is also employed for the parts of ships below the water line, and the use of jarrah planks dispenses with the necessity for copper sheathing.

Jasmine.—A name of several species of shrubs or climbing plants, highly prized on account of their fragrant flowers. They are chiefly found in subtropical countries. From the flowers an oil is extracted which is valuable in the preparation of a number of perfumes.

Jean.—Cloth made of twilled cotton, and sent in large quantities from Manchester and the surrounding district to China. Satin jean is a jean woven smooth and glossy after the manner of satin.

Jerked Beef.—Salted or sun-dried meat, prepared in South America, Mexico, and Texas. Frozen meat has practically ousted it from European commerce.

Jesuits' Bark.—(See *Cinchona.*)

Jet.—A lustrous mineral, a species of pit coal resembling cannel coal, of a deep brown or velvety black colour. The largest supplies are obtained at Whitby, in Yorkshire, where it forms part of a thick bed of lignite. In other parts of the world jet is found in small, thin, detached layers in bituminous shales, principally in Bohemia, the Baltic provinces, and Spain.

Jewellery.—Articles manufactured in precious metals, precious stones, and other valuable materials, used for the purposes of personal adornment. Amsterdam is the centre of the diamond cutting trade, while Paris, Vienna and New York produce novelties in jewellery in rapid succession. In England, Birmingham is the city in which most of the cheaper jewellery is made, and almost all the imitation jewellery in general use. In the better classes of jewellery the manufacturers of Clerkenwell, in London, have the highest repute in the United Kingdom.

Jew's Ear.—The name given to a species of fungus, *Excidium auricula Judae*, which grows on the decaying parts of living trees, especially elders.

Job's Tears.—The hard, shining, grey seeds of the *Coix lachryma*, a grass of India, which somewhat resembles maize. The seeds are edible, and are also reputed to have certain medicinal value, but they are mainly prized for making ear-rings, necklaces, and bracelets, and for adorning the dresses of the Indian natives. The plant has been introduced into Spain and Portugal, and the seeds have been employed in the manufacture of rosaries and other ornaments.

Jonquil.—A species of narcissus or daffodil, with rush-like leaves. An essential oil is extracted from the flowers of the *Narcissus Jonquilla*, and the *Narcissus odorus*, which is extensively used in the preparation of a perfume.

Jowarri.—The Indian name for the large seeded millet, *Sorghum vulgare*, used as a food by the natives, and exported for feeding cattle.

Juniper.—The name of several evergreen trees or shrubs belonging to the natural order *Coniferae*. The berries or fruit of the common juniper, which is quite common in Europe, Asia, and North America, are of a bluish colour, and are used for flavouring gin.

Junk.—Old pieces of hemp, rope, and cordage, cut into short lengths, and used for making rope mats, ship sacks, oakum, and thick brown paper.

Jute.—Jute is an important Indian fibre, obtained mainly in Calcutta from two very similar species of plants. The fibre is the inner bark of the plant, and is separated from the woody stalk by steeping in water. In India the fibre had long been used for the manufacture of gunny bags (*q.v.*) and native clothing. Since 1850 Dundee, outside India, has had the greatest trade in the article. On account of its glossy nature, jute has been much used in adulterating or imitating silk textures. It is also employed in the manufacture of stage wigs, tresses, and ladies' hair pads.

Juvia.—A local name for the Brazil nut of commerce.

Kaat.—The name given to Abyssinian tea, the leaves of the *Catha edulis* and the *Catha spinosa.* By the natives of Abyssinia and Arabia these leaves are chewed as a stimulant and exhilarant. There is practically no European commerce in this substance, though the trade done at Aden is not inconsiderable.

Kaffir Corn.—The name given in South Africa to the grain of a species of Davia.

Kainite.—A mineral found in the Strassburg deposits of Germany. It is a hydrated compound of the chlorides and sulphates of magnesium and potassium. It is used to a considerable extent as a manure.

Kale.—An open-leaved variety of the cabbage plant known as *Brassica oleracea.* It is cultivated as a winter and spring vegetable.

Kali.—A name often applied to a soluble tartrate of potash.

Kamala.—Also known as Wurrus, a fine orange-coloured powder obtained from the minute glands which cover the seed capsules or ripe fruit of an Indian tree known as *Mallotus philippensis.* The powder is used in India as a dye for silk, to which substance it imparts a fine orange colour.

Kangaroos.—Kangaroo skins are extensively exported from Australia to Great Britain and the United States. The leather made from the skins is suitable for strong light boots, and for the manufacture of gloves.

Kaolin.—A very pure white clay, commonly known as China clay. Its name is derived from Kauling, in China. On account of its purity it is valuable in the manufacture of china and the finest kinds of porcelain, and it is also used by paper makers. For a long period the only supplies were obtained from China and Japan, but in 1755 kaolin was discovered in Cornwall. The chief British supplies are now derived from that county. There are deposits near Limoges in France, and in Nebraska, in the United States.

Kapok.—The Dutch name for a species of short silky cotton stuff surrounding the seeds of the *Bombax malabaricum.* The tree grows in the Dutch East Indies, and many hundreds of bales of kapok are annually exported to Holland for upholstery purposes, filling beds, pillows, coverlets, etc.

Kauri.—The native name for the pine tree, *Dammara australis,* which flourishes in New Zealand. The timber is white or straw-coloured, close-grained, durable and very easily worked. It is valuable for masts, yards, and planks, and is largely exported.

Kekune Oil.—The fixed oil, thin, odourless, and tasteless, obtained from the seeds of the *Aleurites tribola,* by boiling them in water.

Kelp.—The ash of burnt seaweed from which at one time soda was obtained in large quantities, but which is now valuable as the source of iodine and bromine.

Kermes.—(Also known as Alkermes.) The name of a dye-stuff obtained from the dried bodies of certain female insects which live on a species of oak, *Quercus coccifera,* abounding in southern Europe.

Kerosene.—The general name applied to mineral oils, whether petroleum, paraffin, or shale oils, which are used in various countries for burning in lamps. In America the name "kerosene" is most generally applied to petroleum oil refined for domestic use. It is exported from America, Russia, and Great Britain, principally to India and China.

Kid Skins.—The skins of young goats which are valuable in the manufacture of gloves.

Kidderminster.—The name of a species of carpets, so called from the town where they were first made. (See *Carpets.*)

Kimmel.—(Or Kümmel.) A continental liqueur. It is made from brandy flavoured with cummin or coriander seed.

Kimmeridge Clay.—A dark, bluish-grey, shaly clay, found chiefly at Kimmeridge in the Isle of Purbeck, rich in bituminous matter and sometimes used as fuel.

Kinderscout Grit.—Coarse grits and flagstones which are quarried at Eyam, in Derbyshire, and used for engine-beds, foundations, and reservoir works. They occur towards the base of the Millstone Grit which forms the tableland of the Peak district.

Kingwood.—A beautiful cabinet wood, obtained from a species of *Dalbergia,* and imported from Brazil in trimmed logs of from two to seven inches in diameter. It is also known as violet wood.

Kino.—The astringent red or brown resin obtained from several species of trees which are found in Africa, India, and Australia. The best is derived from the exuding sap of the *Pterocarpus marsupium,* of Madras and Ceylon. The Bengal kino, obtained from the

Butea frondosa, is used by the natives for tanning leather.

Kirschwasser.—(Also known as Kirsch and Kirschenwasser.) A liqueur manufactured on the Continent, especially in Germany, Holland, and Denmark, made from cherries.

Kitt Fox.—The name of the smallest of all the American foxes, of which about 10,000 skins are annually imported into Great Britain.

Kittool.—(Otherwise known as Indian Gut.) It is a fibre obtained from the leaf of a Ceylon palm tree, the *Caryota ureas.* It is used in Great Britain for making fishing lines, and also for brush making.

Kohl Rabi.—A curious variety of cabbage, having a stalk resembling that of a turnip. It is used extensively as a cattle food, and forms a very common field crop in Sweden.

Kokra Wood.—(Or Cocus Wood.) The wood of a certain species of elder tree which grows in many districts of India. It is exceedingly hard and of a rich deep brown colour. In the East it is used for many purposes by wood turners, and in Europe it is employed in the manufacture of various musical instruments, especially flutes.

Kokum Butter.—The fat extracted from the seeds of the *Garcinia purpurea*, an Indian plant. It is a semi-solid substance, and is used medicinally in the making of ointments, etc.

Kola Nuts.—The seeds or fruit of the *Sterculia acuminata*, a much-prized tree which grows extensively in tropical Africa. The nuts are also known as Guru nuts.

Kolinski.—The skins of the Tartar sable, obtained in Siberia, and sent to various European markets. The largest trade in these skins is done at Leipsic. The hair of the tail of this sable is used for making paint brushes.

Koumiss.—A fermented liquor made in Russia from mare's milk. A spirit, called rack, is distilled from it.

Kukui Oil.—The oil obtained from the candle nut, *Aleurites tribboa*, a tree of the Pacific Islands. The oil is used by the islanders for illuminating purposes, and it is imported in small quantities for its drying qualities when mixed with various colours.

Kundah Oil.—The concrete oil obtained from the seeds of the *Carapa guineensis*, a species of tree found in West Africa. It is used by the natives for lighting.

Kuskus.—The fibrous roots of the *Andropagon muricatus*, a grass grown in the East Indies. The roots are useful as a perfume and for driving away moths.

Labdanum, or *Ladanum.*—A black-brown, soft, and delicately scented gum, the exudation of the *Cistus creticus*, growing in Crete, Cyprus, and Asia Minor. It is now mainly employed in the manufacture of perfumery, being held in much esteem in Turkey. It is an article rarely met with in England.

Lac.—A resinous incrustation found on certain trees in India, especially trees of the *ficus* genus. It is formed by the insect *Coccus lacca.* In its natural state it is known as stick-lac. After having been removed from the trees upon which it is found, stick-lac is placed in tubs of water and beaten. It is then called seed lac. Lac has many important uses. It is largely employed in the manufacture of polishes and varnishes, for stiffening the calico frames of silk hats, and for making the best sealing-wax. In the East it is made up into various ornaments, and used as a coating for wooden toys. In China it is extensively used to decorate the surfaces of boxes, trays, vases, and other similar articles.

Lace.—The open ornamental fabric of linen, cotton, silk, or gold and silver threads, constructed by looping, twisting, or plaiting the threads into definite patterns. The manufacture of hand-made lace is an extremely delicate and complex operation. It is carried on at various places in France and Belgium, and the varieties are known as Valenciennes, Lille, Mechlin, Cluny, and Brussels. The best point or needle lace is *point d' Alençon*, and some of the Brussels lace, which is also needle-made, is distinguished as *point à l'aiguille.* The greater portion, however, of Brussels lace is a pillow-made fabric. Other well-known varieties of hand-made lace are Maltese and Honiton. There is a large business done in the manufacture of machine-made lace in England, Nottingham being the centre of the trade.

Lacquer.—A varnish prepared by dissolving seed lac or shellac in alcohol, with the addition of small quantities of one or more gum-resins, such as sandarach, amber, etc. The varnish is applied to brass and gilded articles so as to heighten their colour and to prevent tarnishing, and the process of lacquering is very much like that of japanning. The lacquer ware of Japan is made in a different manner. Their lacquer is

the sap of the lacquer varnish tree, the *Rhus vernicifera*, and it is applied almost exclusively to wooden articles. Unlike the European lacquer this coating will bear the application of great heat without injury.

Lamb Skins.—The skins of lambs are now extensively used as a substitute for kid skins in the manufacture of gloves. The best supplies are derived from Hungary, Greece, and Southern Russia, the black varieties coming from the last named, especially from the Crimea and Astrakan.

Lametta.—An Italian name for foil or wire made from copper or from the precious metals.

Lamp Black.—The intensely black pigment formed of the soot or amorphous carbon obtained by burning such substances as resin, petroleum, or tar. The best is obtained from the combustion of camphor. This pigment is useful for artists in oil and water colour. The commonest kind is used by house painters. It is a most important substance in the preparation of printing ink, Indian ink, and carbon paper. Some curriers employ it in the preparation of certain kinds of leather.

Lancewood.—A strong, light, and elastic wood obtained from two species of trees which grow in the West Indies, mainly in Jamaica. Lancewood is principally used by coach-builders for shafts and carriage poles. It is also employed in the manufacture of billiard cues and archers' bows.

Lanoline.—An unctuous substance obtained in the washing of wool. It is a mixture of the ethers of cholesterin with fatty acid, and is used as the basis of ointments and in the manufacture of the cheaper kinds of soap.

Lapis Lazuli.—A mineral of beautiful blue colour, consisting principally of silica and alumina, with the addition of a small quantity of sulphuric acid, soda, and lime. It is generally found massive, and associated with crystalline limestone, the finest specimens being obtained from Bokhara. It is much employed in ornamental and mosaic work, and for church ornamentation, especially altars. When powdered it constitutes the beautiful colour known as ultramarine. The cost, however, of obtaining ultramarine from this mineral is so great that the colour is now prepared artificially.

Larch.—A kind of fir tree, grown extensively in most parts of Europe, and valuable for its timber, which is exceedingly durable, not liable to rot on exposure, and free from insect destruction. Larch bark is used for tanning.

Lard.—The congested fat of the pig, generally mixed with a small quantity of salt in order to improve its keeping qualities. This substance is exported in enormous quantities from America.

Lastings.—A common name for certain plain or figured fabrics, made either in wool or cotton.

Latakia.—The name of a Turkish tobacco, the product of the *Nicotiana rustica*, which grows in the hilly districts behind Latakia, in North Syria.

Laths.—Thin strips of wood, from 3 to 6 feet long, 1 inch broad, and ¼ inch thick. They are used by builders for walls and ceilings to retain the covering of plaster.

Latten.—The name given to brass or bronze used for crosses, and also to tin rolled out into plates.

Laudanum.—The commonest of all the preparations of opium, and often called tincture of opium. It is a liquid of a darkish red colour.

Lavender.—The flower-heads of the *Lavendula vera*, from which, as well as from the stalks, an essential oil is obtained by distillation. Though the plant is grown in Great Britain, the French oil is that which chiefly enters into commerce as it can be prepared more cheaply in France than in England.

Lawn.—A fine kind of cambric, made chiefly at Belfast. (See *Linen.*)

Lead.—One of the most useful of metals, used very extensively as sheet lead, for piping, for the manufacture of bullets, etc. The chief source of lead is the ore galena, a sulphide of lead found in several European countries. In Great Britain the chief lead supply is obtained from the mines of Cumberland, but there is a considerable amount of galena imported from Spain. Lead enters into the composition of several useful alloys, of which the most important are type metal, stereo metal, plumbers' solder, pewter, and shot metal. An oxide of lead, known as red lead or minium, is much used in the manufacture of fluid glass, as a cement, and as a pigment. A mixture of lead oxide and antimony, known as yellow lead, is employed as a pigment for giving a yellow colour to earthenware. White lead, a substance extensively employed as a pigment and for pottery glazes, is a carbonate of lead.

Leather.—The skins or hides of animals, especially the larger mammals, prepared by certain chemical processes

so as to preserve them from decomposition and putrefaction, and to give them increased strength, toughness, and pliancy, together with insolubility in water. There are several distinct methods of preparing leather, but all depend upon the combination of the tannic acid of some tannin material with the gelatinous substance of which the skins or hides are largely composed. Of the various special kinds of leather, morocco leather is the name applied to the skins of goats tanned with sumach. Roan leather is prepared from sheep skins treated in the same way as morocco leather. Russia leather is smooth-finished leather, impregnated with the oil of birch bark, from which it derives its peculiar odour. Chamois leather, originally made from the skin of the chamois, is a kind of soft leather prepared from sheep skins by treatment with oil alone. The skin is not tanned at all.

Leek.—A cultivated variety of the *Allium Ampeloprasum*, a member of the onion family, much valued for culinary purposes. It is very generally cultivated in Scotland and Wales.

Lemon.—The fruit of the *Citrus Limonum*, a small tree commonly found in the south of Europe. The supplies of northern Europe are obtained exclusively from Mediterranean ports. The peculiar and pleasant flavour of the lemon is due to the citric acid contained in the juice of the fruit.

Lemon Grass.—A perennial grass, cultivated in Ceylon and the Straits Settlements, with a lemon-like fragrance, from which a volatile oil, sometimes called oil of verbena, is extracted. This oil is used in the manufacture of perfumes.

Lentils.—A leguminous plant closely related to the vetch. It is extensively cultivated in Egypt, Syria, and southern Europe generally. From the seeds a palatable and nutritious food is obtained. In the East they are cooked as a sort of porridge.

Leopard Skins.—Used for rugs, for which purpose the skins are imported from India.

Letter Wood.—(Also called Leopard Wood and Smoke Wood.) It is procured from a large tree belonging to the bread fruit, a native of British Guiana and Trinidad. The wood is beautifully mottled and streaked with black spots, and is very effective when polished. It is used for making cabinets, for fine veneering, and for inlaying work.

Lettuce.—The well-known garden vegetable used in the preparation of salads. It is a plant belonging to the order *Compositae*, the cultivation of which is widespread.

Lign Aloes.—The wood of the *Aquilaria Agallocha*, otherwise called garrow wood. It has a fragrant odour when burned, somewhat resembling patchouli. It is obtained and most valued in Further India.

Lignite.—The name applied to a mineral substance of vegetable origin, and sometimes called brown coal. It is considered to be wood in a state of fossilisation, intermediate between peat and coal. A variety of lignite is jet. The mineral is not found in any great quantities in England, but there are deposits of great thickness in Germany. In the last-named country it is burned as fuel, and it is likewise used as a source of paraffin oil, the oil being obtained by distillation.

Lignum Vitae.—The hard, heavy, close-grained wood of the *Guaiacum officinale*, a tree which grows extensively in the West Indies. It has a greenish colour, and is much used in the manufacture of blocks, pulley's, rollers in machinery, pestles, etc.

Lima Wood.—The dye-wood used for the production of various tints of red, orange, and peach colour. It is obtained from the *Caesalpinia echinata*, a tree which is found in Brazil and Central America. Lima wood is also known as Pernambuco wood and Nicaragua wood.

Lime.—(1) The fruit of the *Citrus Limetta*, a tree which flourishes in the South of Europe, and in both the East and West Indies. There are many varieties of the fruit, and its uses are in the main the same as those of the lemon.

(2) The popular name of the *tilia*, otherwise the linden tree, which grows in many parts of Europe, but especially in Germany and Russia. Its wood is light and soft, and much used for carving and turning. The charcoal obtained from burning the wood of the lime tree is considered to be the best for the manufacture of gunpowder.

(3) The oxide of calcium, one of the alkaline earths. It is obtained by heating carbonate of lime, or limestone, in a furnace or kiln. The carbonic acid is burned out and lime remains. This residue is commonly known as the quicklime of commerce. Lime is largely employed in the manufacture of mortar, and as a manure. Amongst its other

uses are the purification of coal-gas, the preparation of hides for tanning, the manufacture of stearic acid for candle-making, and the smelting of various metals.

Limestone.—The common name for a species of rock of a yellowish white colour composed mainly of carbonate of lime. It is very widely distributed, in fact, limestone rocks occur in every geological system. Compact limestone is hard, smooth, and fine-grained, and can be polished and made into ornaments. Crystalline limestone is another variety, sometimes known as statuary marble. Limestone is, however, principally valuable as being the source from which lime is obtained.

Linen.—The fabric manufactured from the fibres of flax and hemp. The industry is one of the most important of the United Kingdom, and finds its centres at Belfast in Ireland, Leeds in England, and Dundee in Scotland. Other large towns in the last-named country engaged in linen manufacture are Arbroath, Kirkcaldy, and Dunfermline.

Ling.—A variety of cod fish, taken in large quantities off the British coasts. From the liver of the ling an oil, similar to cod liver oil, is extracted. This oil is used as an illuminant in the Shetland Isles.

Linoleum.—The name of a kind of floor cloth. It is made by incorporating ground cork with india-rubber, and rolling the mass into sheets and drying the same. It is easily stained for receiving patterns.

Linseed.—The seed of the flax plant, *Linum usitatissimum*, an important oil seed exported largely from India, the East Indies, and Russia. It is much used in the manufacture of paints, varnishes, printing ink, oil-cloths, etc., on account of its drying qualities. The cake left after the expression of the oil is valuable as a cattle food.

Lint.—The soft woolly material used for surgical dressing and soaking up discharges, prepared by machinery from a soft linen texture woven for the purpose, having one side soft and fluffy.

Liqueurs.—The name for a variety of alcoholic preparations which are flavoured and sweetened. They differ widely in their composition and qualities. Chartreuse is made by a secret process and derives its name from the monastery where it was manufactured. There are two kinds—green and yellow. Benedictine is another well-known liqueur, made at Fécamp, which enters into competition with Chartreuse. Others which enter into British commerce are anisette, clove cordial, curaçoa, kirschwasser, kümmel, maraschino, noyau, and peppermint. Absinthe is not a liqueur, but belongs to the class of bitters and unsweetened spirits.

Liquidambar.—A genus of trees of the balsam order. Several species yield a resinous substance, when incisions are made in the bark, from which benzoic acid is obtained. From one species, found in the Levant, liquid storax is extracted. This substance is used for scenting tobacco, and driving moths from woollen clothing. The ordinary balsam is collected in the United States and Mexico, and is exported thence for commercial purposes.

Liquorice.—An herbaceous perennial, largely cultivated in the south of Europe, and valuable on account of its root, which contains a substance called glycyrrhizine, allied to sugar, soluble in both water and alcohol. Liquorice is used in the manufacture of sweet tobacco, and is also employed by brewers to give "body" to porter.

Litharge.—The fused monoxide of lead. It is known as massicit when pure, and enters into the composition of flint glass. It is also used by painters.

Lithium.—A rare metal, silver white in colour, the lightest known solid. The oxide of lithium, known as lithia, is valuable in the formation of a series of salts. Lithium is found in combination with various minerals in Sweden.

Lithographic Stone.—The fine, hard, close-grained stones used for taking impressions in lithographic work. They are generally prepared from thin slabs of a variety of limestone, or stones composed of lime clay, and siliceous earths. The grey-coloured stones are considered the best, and the principal supplies are derived from the quarries of Solenhofen, Bavaria. Stones of an inferior quality are obtained in Italy and France.

Litmus.—A blue colouring or dyeing material obtained from various species of lichens, like archil, and cudbear. It is turned red by the presence of acids, and consequently litmus is a valuable test in the chemical laboratory.

Lobsters.—The well-known crustaceans, found on the coasts of many European countries. The largest supplies for European markets are obtained from Norway, the fish being shipped alive. There is an enormous business done in canning lobsters for the markets

of the world in Nova Scotia, New Brunswick, and Newfoundland.

Logwood.—The heart wood of the *Haematoxylon campechianum*, a tree of the West Indies, Central America, and the northern parts of South America. The wood is hard, close-grained, very durable, takes a high polish, and is heavier than water. The chief supplies are obtained from Jamaica and Honduras, whence the timber is exported in logs.

Longan.—The product of the *Nephelium Longanum*, one of the most delicious and pleasing fruits of China and the Malay Archipelago. It is largely used for making preserves, and in a dried state is exported from China to Great Britain.

Lucifer Matches. (See *Matches.*)

Luminous Paint.—A powder such as sulphide or oxysulphide of calcium ground up with a colourless varnish or other similar substance and used as a paint. The object painted is visible in the dark.

Lunkah.—The name of a kind of tobacco grown on the rich soils of Ceylon and on the banks of the Godavery.

Lycopodium.—A kind of vegetable sulphur, the spores of a fern *Lycopodium clavatum*. It is used for coating pills, for flash lights in firework displays, and for theatrical imitation of lightning. A considerable quantity of this substance is annually exported from Russia.

Lynx.—The furs of the lynx are used for rugs, muffs, etc., and are easily dyed. Though the animal is fairly widespread it is the Canadian species which supplies the furs of commerce.

Macaroni.—A preparation made from the ground meal of wheat when mixed into a stiff paste with water, and formed into slender pipes, like quills. When the apertures of the pipes are very small the substance is called vermicelli. The principal town of production is Genoa, though Cagliari in Sardinia has a wide reputation for the quality of its output. Recently the trade has spread to Marseilles and various other towns in the south of France.

Mace.—The net-like inner covering of the nutmeg. When fresh it is of a scarlet colour, but when dried it becomes yellow and is so found in commerce. Mace is used as a cheap spice, and as a substitute for nutmegs. The chief supplies of mace are obtained from Penang and Singapore.

Mackerel.—The well-known fish, taken in great quantities every year off the coasts of the British Isles.

Madder.—The root of the *Rubia tinctorum*, a perennial shrub which grows in the South of Europe. From the root is extracted the colouring matter for dyeing Turkey red. The chief supplies are obtained from the Levant, Asia Minor, and France. Aniline dyes have almost entirely superseded all others, and the cultivation of the madder root is rapidly declining.

Madeira Wines.—The name of various kinds of wine made in the Madeira Islands. Those most appreciated are Baal, Malmsey, Palhetinho, Sercial, and Tinto.

Magnesia.—The only oxide of the metallic element magnesium. It is a fine white powder, obtained by the combustion of the metal, but often prepared by heating the carbonate. When calcined magnesia is mixed with water a compact mass is formed, much resembling plaster of Paris, and sometimes used as a substitute for that article.

Magnesium.—A metal usually grouped with the metals of the alkaline earths, but having many properties resembling those of zinc. It is obtained by fusing chloride of magnesium with sodium. It is brilliantly white and resembles silver in appearance. When drawn out into wire or ribbon it burns with a brilliant light, and is largely used for photography in dark places.

Mahaleb.—The *Cerasus Mahaleb*, a cherry tree cultivated extensively in the state of Baden. Its fruit yields a violet dye, and from the cherries much of the kirschwasser of Germany is prepared.

Mahogany.—A very valuable and beautiful timber, obtained from the *Swietenia mahogani*, a tall and beautiful tree of the West Indies and Central America. The wood is of a close texture, reddish brown in colour, and takes a fine polish. It is also free from warping. The value of the wood varies according to its colour and markings. It is mainly used in the manufacture of furniture. The largest supplies are obtained from Honduras, Campeachy, and the West India Islands generally. That of Honduras and Campeachy is known as bay wood, that of Cuba and Hayti as Spanish mahogany.

Maize.—The well-known cereal, the produce of the *Zea mays*, a species of grass. It is very commonly known as Indian corn, and is one of the most important grain crops of the world, next in importance to rice. It is grown chiefly in the United States, but its cultivation is now very widespread. In

Britain, however, it thrives only in favourable summers.

Malacca Canes.—Walking sticks, obtained from a tree called *Calamus Scipionum*, which grows in Sumatra.

Malachite.—An ornamental green mineral, composed of carbonate of copper. It occurs most frequently amidst copper ores, and is found in the greatest abundance in Siberia. It is also obtained in Cornwall and in South Australia. It is capable of taking a fine polish, and is employed for making ornaments and in inlaying work.

Malaga Wines.—The sweet rich wines obtained from Malaga, a Mediterranean seaport of Spain.

Malaguetta Pepper. (See *Grains of Paradise.*)

Malt.—Barley or other grain prepared for the purpose of brewing beer. The best malt used is made from the finest barley. An extract of malt, called maltine, is used medicinally as a cure for scorbutic complaints.

Mandarin Oranges.—A variety of oranges, both large and small, grown in Sicily. One of the best known is the Tangerine. There is a very large export trade from Palermo.

Manganese.—A black, metallic ore, rarely found pure in nature, but widely spread in combination with other minerals. In its chemical and physical properties it somewhat resembles iron. Manganese is largely imported into this country, particularly from Sweden, for use in glass manufacture, for glazing black earthenware, and for giving colour to enamels.

Mango.—The fruit of the *Mangifera indica*, a tree which attains a considerable height in India. It is about the same size as a pear and shaped like a kidney. The mango is eaten as a fruit in India, and also in the West Indies, where the cultivation has been successfully introduced. If gathered before ripening an excellent pickle can be made, and it is chiefly as a pickle that the mango is known in Europe.

Mangold-Wurzel.—(Or Mangold.) The general name used in Great Britain and America to describe the varieties of the field beet cultivated for feeding cattle.

Mangosteen.—The fruit of the *Garcinia mangostana*, a tree found in most of the East India Islands. It is generally considered to be one of the most delicious fruits known. It is about the size of a small orange, white and juicy.

Mangrove Bark.—The bark of a large variety of trees, *Rhizophora*, which grow in marshy districts in South America. It is particularly rich in tannin and dyestuffs, and is exported from South America to Great Britain, France, and Germany.

Manilla Hemp.—The name used in commerce to describe the fibre of the wild plantains of the East Indies and the Philippine Islands.

Manillas.—The trade name for cigars and cheroots made in and exported from the Philippine Islands.

Manioc.—(Also called Mandioc and Cassava.) It is the name of a certain species of *Manihot*, a shrub extensively cultivated in tropical America, especially Brazil, on account of the roots. From the starch of manioc, separated in the ordinary manner from the fibre of the shrub and known as Brazilian arrowroot, tapioca is made.

Manna.—A sweet exudation obtained from the bark of the Manna ash—*Fraxinus Ornus*. The tree was formerly cultivated very considerably in Calabria, but it is now mainly found in Sicily, and it is from Palermo that the manna of commerce is obtained.

Manure.—The name for all substances which are used to maintain or to increase the fertility of soils. The common farmyard manure has been supplemented by a number of natural and artificial manures, the principal of which are noticed under separate headings. The most common artificial manure is made from bones. The natural manures include guano, superphosphates, sulphate of ammonia, nitrate of soda, potash salts, etc.

Maple.—A genus of trees growing in the temperate regions of the world, of which there are more than fifty species. The common maple has close-grained, beautifully marked wood, capable of taking a high polish, and valuable for making cabinets.

Maraschino.—A delicate liqueur, distilled from the bruised fruit of the Marasca cherry, a tree cultivated in Dalmatia and some parts of Italy. The finest Maraschino is obtained from Zara.

Marble.—A rock composed principally of carbonate of lime, but the name is popularly given to any limestone which is sufficiently compact to admit of being polished. There are certain kinds of dark-coloured marbles obtained in various parts of England, but the finest qualities, used in statuary and architecture, are obtained from different parts of the continent. The best is the white marble of Carrara, in Italy. This

is employed almost exclusively for statuary and ornamental work. Coloured varieties of marble are obtained from various countries of Europe, France, Spain, Portugal, and Greece.

Margarine.—An artificial substitute for butter, often known as oleomargarine, and also as butterine. It is chiefly manufactured in and exported from Holland. (See *Butter.*)

Marjoram.—A genus of the plants of the order *Labiatae,* of which there are about twenty species. The common marjoram is a pot herb, and yields an essential oil which is valued by farriers as a stimulating liniment.

Marking Ink.—(See *Ink.*)

Marmalade.—A preserve made by boiling the rind of oranges, quinces, etc. The best kind of marmalade is made from bitter or Seville oranges. The largest factories are at Dundee.

Marsala.—A Sicilian wine, so called from Marsala, the city whence it is exported. It resembles sherry and has been popular in England for more than a century.

Marten.—An animal belonging to the weasel family, chiefly found in North America, dark brown in colour, and highly valued for its fur, which when well dressed is often substituted for sable.

Mastic.—A gum resin obtained from the mastic tree, *Pistacia lentiscus,* which grows in the Greek Archipelago. It is used in the manufacture of varnish for varnishing prints, maps, drawings, etc., the mastic being first dissolved in turpentine. Mastic is also used by dentists for stopping teeth.

Matches.—The name formerly applied to various substances used for firing mines, etc., but now most generally signifying lucifer matches. The manufacture of matches is carried on at the present time exclusively by machinery. The most recent development in the match trade has taken place in Sweden and Norway, from which countries enormous quantities are annually exported. The centre of the trade is Jönköping.

Maté.—The leaves of the *Ilex Paraguariensis,* a shrub growing extensively in South America. In Brazil and other South American countries the leaves are used as a substitute for tea, and maté is often known as Paraguay tea.

Matico.—The rough leaves of two plants, the *Artanthe elongata* and the *Eupatorium glutinosum,* natives of Peru, which are covered with a fine hair. They are valuable medicinally for their styptic properties, being used for stanching wounds.

Maw Seed.—(Also called Poppy Seed.) The seeds of a variety of the *Papaver somniferum,* possessing an ant-like flavour, imported from Russia as a food for cage-birds.

Mead.—The fermented liquor made from honey and water. The liquor has been a common beverage in northern Europe from the earliest times.

Meat Extract.—The concentrated essence of meat obtained by boiling down the carcases of oxen. A large number of these extracts are made in South America, and there are many well-known extracts made in Europe by peculiar processes, which are the secrets of their manufacturers.

Medlar.—The fruit of a species of apple tree, widely cultivated in southern Europe and western Africa. The common medlar is found in parts of England. The fruit is about the size of a small apple. The golden yellow variety is most prized and is used for making jellies and preserves.

Médoc.—The wine of some of the most prized clarets of the Gironde, shipped from Bordeaux. The principal of these are Château Maryaux, Château Lafite, and Château Latour.

Meerschaum.—(Also called Sepiolite.) It is a fine-grained, soft, compact mineral, generally white in colour, though sometimes possessing a yellowish or pinkish tinge. Meerschaum occurs in beds in Asia Minor, Greece, Morocco, and Spain.

Melon.—The fruit of the *Cucumis melo,* a species of cucumber plant, widely cultivated in the South of Europe. There are many varieties, the principal, however, being the musk melon and the water melon, and the latter is the fruit most valued. The principal British supplies are obtained from Malaga, in Spain, and from various parts of Portugal.

Melton.—A kind of broadcloth. It has a soft and pliable finish, but is manufactured without any gloss.

Menhaden.—A fish of the herring family, taken in large quantities off the eastern shores of the United States. Its flesh is not used for food, but the fish itself makes excellent manure and yields an oil which is employed in leather dressing, in the manufacture of rope, and in mixing colours.

Menthol.—A kind of camphor generally prepared from the *Mentha arvensis*

purpurescens. It is a remedy in various nervous complaints, such as headache, neuralgia, toothache, etc.

Mercury.—The chemical name for quicksilver. It is the only metal liquid at ordinary temperatures. It is rarely found native, and practically the whole of the mercury of commerce is obtained from its only important ore, sulphide of mercury, or cinnabar. California has the leading place in the export of the ore.

Merino.—The name of a choice breed of Spanish sheep, celebrated for their long fine wool. The merino has, however, been introduced into Australia and South America, which now produce the chief supplies of wool.

Methylated Spirit.—A mixture of strong alcohol with about ten per cent. of impure wood naphtha or methylic alcohol. The addition of the wood naphtha, which has a disagreeable odour and taste, renders the liquid unfit for drinking, though it does not interfere with its application in many processes in arts and manufactures.

Mica.—The name of several minerals, made up of silica, alumina, magnesia, and potash, together with small quantities of lime, the oxides of iron and manganese and soda. Ordinary mica, also called muscovite, occurs in thin plates of varying sizes in different parts of the globe. It is found in Cornwall, in Sweden and Norway, and in Siberia.

Milk.—The opaque white fluid secretion with which animals sustain their young. The milk which enters into commerce is the product of the cow. As milk in its ordinary state quickly becomes sour, a large trade in condensed milk has grown up within very recent times. It is prepared from the milk of the cow sweetened with cane sugar. Switzerland takes a prominent place in the manufacture and exportation of condensed milk. Much, however, is made in Holland, France, and North America.

Millboards.—Strong flexible boards, so called because they are milled under heavy rollers to give them solidity and a smooth surface. They are manufactured out of the waste of various substances—old sacks, old rope, straw, jute, cardboard, etc., which are reduced to a pulp, though not treated so carefully as when paper is made. The whole process is carried out by machinery.

Millet.—The small grained seed of various cereals, the principal of which are the *Panicum* and *Setaria.* These are natives of the East Indies, but the common millet, *Panicum miliaceum,* is now extensively cultivated in southern Europe and the warmer parts of Africa and America. The grain is exceedingly nutritious, and is used as a food-stuff in various countries.

Millinery.—Light articles of dress, worn mainly by women and children.

Millstones.—Circular rollers manufactured from buhr stones, a hard silicate. The best stone is obtained from the valley of the Seine.

Mimosa Bark.—The bark of different species of acacia, found in Africa, Asia, and Australia. The Australian mimosa is the best known, and is commercially useful for the tannin contained in the bark.

Mineral Oils.—(See *Naphtha, Paraffin, Petroleum.*)

Mineral Waters.—The natural waters supplied by various springs in different parts of the world. The name is also given to the numerous artificially prepared aerated waters and effervescing drinks.

Minium.—The commercial name for red oxide of lead. The oxide is chiefly found in Germany, and our supplies are entirely derived from that country.

Mink.—A small carnivorous animal, a species of weasel, valuable on account of its fur. It is found in the northern parts of America, Europe, and Asia. The best furs are obtained from North America.

Mint.—The well-known genus of useful herbs, of which there are many varieties. The most important species are spearmint, peppermint, and pennyroyal.

Mirbane.—An artificial oil of almonds. It is a yellowish liquid, and is often prepared by treating benzole, a by-product of petroleum, with nitric acid. The product is used in immense quantities in the manufacture of soap.

Mohair.—The commercial name for the long, soft, curly hair of the Angora and other Eastern goats, animals once peculiar to Asia Minor, but now acclimatised in Australia, South Africa, and California. Mohair is white in colour and silky in lustre. Imported into England mainly from Australia and South Africa, it is spun at Bradford and other towns of the West Riding of Yorkshire.

Mohira Flowers.—The flowers of the *Bassia latifolia,* an Indian plant. The flowers contain much sugar, and are used as a food and also distilled into spirit.

Moire.—A term applied to silks figured by a peculiar process known as watering. The best kinds of moire are known as "moiré antique," as resembling the silks worn in olden times.

Molasses.—The sweet syrup which drains from raw sugar, used for making rum. (See *Sugar.*)

Mora.—The valuable timber obtained from the gigantic *Mora excelsa,* a tree of British Guiana and Trinidad. The timber is hard and close-grained, and specially adapted for shipbuilding, for which purpose it is largely exported from Demarara. The bark is astringent and very suitable for tanning.

Morocco Leather.—The leather of goat skins tanned with sumach, dyed, and grained. Originally made in North Africa, it is now imitated in Europe, and made from sheep skins.

Morphia.—(Also called Morphine.) It is the most important alkaloid of opium, and is obtained from opium by means of calcium chloride and ammonia. In medicine it is used as an anodyne, and is prescribed to be taken internally, or by hyperdermic injection.

Mosaic Gold.—An alloy of copper and zinc used for decorative purposes.

Moselle.—The wine made from the grapes grown in the valley of the Moselle, an affluent of the Rhine. It is prepared either still or sparkling.

Mother of Pearl.—The brilliant internal layer of certain shells belonging to the oyster family. Various kinds are obtained from the Philippine Islands, the Sandwich Islands, Singapore, and Western Australia.

Mouldings.—The carved and plane borders or edges for doors, panels, picture frames, etc. The commoner kinds of mouldings are extensively made in Sweden, and exported thence to the various countries of Europe.

Mudar Bark.—The inner bark of the *Calotropis gigantea,* an Indian shrub. The bark yields a valuable fibre which is equal to hemp in its strength.

Mulberry.—The fruit of the *Morus alba* and *Morus nigra,* eaten in India both fresh and dried. The leaves of the mulberry tree form the main food of silkworms. Another species of the tree is the paper mulberry of China and Japan, from the best of which a textile fabric and paper are made.

Mum.—A peculiar kind of beer made from wheatmeal. Some brewers add bean meal and oatmeal to the wheat meal.

Mundic.—The name given in Cornwall to iron pyrites, a compound of iron and sulphur.

Mungo.—The waste produced in a woollen mill from hard spun or felted cloth, or from tearing up old clothes, and used for the manufacture of cheap cloth or shoddy. (See *Shoddy.*)

Muntz's Metal.—An alloy of copper and zinc, largely used for sheathing ships' bottoms. The compound is cheaper than copper and equally serviceable for this particular purpose.

Muscatels.—A variety of white and black grapes, extensively grown in the vineyards of France, Italy, and Spain. The dried grapes are exported as raisins for dessert use. The name is also given to certain strong sweet French and Italian wines which are made from the grapes.

Mushrooms.—Edible fungi, a species of *Agaricus.* They are valuable as a food delicacy.

Musk.—A strong perfume obtained from the powder secreted in a pouch of the abdomen of the male musk deer. The powder is largely imported into England from India and China, and is used by perfumers.

Muslin.—A fine cotton fabric, deriving its name from Mosel, in Mesopotamia, where it was first made. Some of the finest muslins are made in India, but Manchester and the surrounding district supply various kinds of muslin for all parts of the world. Figured muslins of special quality are made at St. Quentin, in France.

Musquash.—A fur-bearing animal of North America - the *Fiber zibethicus.* The skins of this animal are black or brown, and are exported, though in declining numbers, from North America to England and other European countries. The fur is made into muffs, capes, caps, etc., and is used as a good imitation of beaver fur.

Mussels.—A mollusc or shell-fish taken off the coasts of Great Britain, France, Holland, and the Atlantic seaboard of the United States. In England and France mussels are used as food and in Scotland as a bait. To a certain extent they are also used as a manure in England and the United States.

Mustard.—The name of several species of the plant *Sinapis,* though there are three only which contribute their seeds to the manufacture of mustard—the black, the white, and the wild.

Myall Wood.—The fragrant violet scented wood of several species of acacia which grow in Australia. The

wood is valuable for the manufacture of pipes and whip handles.

Myrobalans.—The fruit of the *Terminalia chebula* and the *Terminalia belerica*, natives of India. The fruit resembles a nutmeg, and from it is extracted an oil which is used as a hair restorer.

Myrrh.—The gum-resin obtained from the *Balsamodendron myrrha*, a tree growing in Arabia and Abyssinia. It is composed of resin, gum, and an essential oil with a small quantity of mineral matter. From the earliest times myrrh has been used for burning as incense, and it is still used for religious purposes.

Myrtle Wax.—A vegetable wax obtained from the *Myrica cerifera* by boiling the berries of the tree. The wax is one of the commercial products of South Africa and the western States of America. It is used for the manufacture of candles.

Nails.—Small metal spikes used as fasteners by carpenters, joiners, and others. They are now manufactured almost entirely by machinery, and are made of various metals. The centres of the industry in England are Birmingham and Dudley.

Nankeen.—A cotton cloth made of buff-coloured or yellow calico, formerly exported by China, but now manufactured in Europe.

Naphtha.—The name once applied very widely to liquid hydrocarbons exuding from the ground, but now signifying the inflammable distillates of crude mineral oils and coal-tar. Paraffin and petroleum are not now included in the list. But the term does include the distillates of india-rubber, bones, wood, peat, etc.

Naples Yellow.—This is the name of a valuable pigment, yellow in colour, which is much used in oil painting and enamel painting. It is likewise employed for enamel colouring. The basis of the pigment is antimony.

Natron.—The native sesquicarbonate of soda obtained from the lakes of Egypt and from the borders of the Caspian Sea. It always contains sulphate of soda and chloride of sodium.

Neat's Foot Oil.—An oil obtained by boiling down the split feet of oxen, or by treating the feet with superheated steam in a closed cylinder. This product is exported very largely from South America, and it is used to a considerable extent for softening and dressing leather.

Needles.—These well-known steel articles are now made exclusively by machinery. The centre of the manufacture in England is at Redditch, near Birmingham.

Nephrite.—A mineral found in Turkestan and Siberia. It consists of an anhydrous silicate of lime and magnesia, and is very hard, tough, and translucent. It varies in colour from dark green to milky white. In China and Japan nephrite is highly valued for ornamental purposes, and elaborate vases are carved out of it. Quite recently the mineral has been found in British Columbia and New Zealand.

Neroli Oil.—The commercial name for the fragrant volatile oil obtained from orange flowers by distillation. It is one of the principal ingredients in the manufacture of eau de Cologne and other perfumes.

New Zealand Hemp.—The fibre obtained from the *Phormium tenax*, the hemp plant of New Zealand. It is used for rope-making in England and to some extent in France.

Nicaragua Wood.—The product of the *Caesalpinia echinata*, a tree of Central America and the tropical parts of South America. It is used as a red and black dye. The best wood is obtained from Peru. It is also known as peachwood.

Nickel.—A greyish white metal which was at one time chiefly prized as being a valuable alloy, but is now used independently for many industrial and domestic purposes. It is not found native, and its most important ore is *Kupper-nickel* (false copper), a metal with a copper-like appearance, and composed of nickel and arsenic.

Nitre.—(Also commonly known as nitrate of potash and saltpetre.) It is found naturally as an incrustation on the surface of the soil of tropical countries, especially in Bengal and Oude; and it is prepared artificially by the action of nitric acid upon potash. It is one of the principal constituents of gunpowder.

Cubic nitre, or nitrate of soda, is sometimes known as Chili saltpetre. It occurs as an incrustation of the soil in Bolivia, Peru, and Chili, and derives its name from the cube-like form of its crystals.

Nitre, Sweet.—A liquid having a smell of ether and a sharp taste, prepared by distilling alcohol with a mixture of nitric and sulphuric acid and metallic copper.

Nitric Acid.—A colourless liquid when

pure, but commercially a yellowish liquid, highly corrosive, much used in the arts and prepared by distilling nitrate of sodium with sulphuric acid. It is a powerful oxidising agent and attacks nearly all organic substances.

Nitro-Glycerine.—The oily liquid prepared by dissolving glycerine in equal parts of strong nitric and sulphuric acids. It is a violent explosive compound, and detonates when struck by a hammer. When slowly heated it decomposes quietly and burns without any explosion. (See *Dynamite, Gun Cotton.*)

Nut-galls.—(See *Galls.*)

Noyau.—(Also called Crême de Noyau.) A favourite liqueur.

Nutmeg.—The albuminous kernel of the seed of the *Myristica officinalis*, a tree of the Dutch East Indies.

Nutria Skins.—The name of the skins obtained from a South American rodent, commonly called the Coypu rat. Immense numbers are imported annually from the Argentine Republic. The fur, when unhaired, is a cheap substitute for the skin of the beaver.

Nux Vomica.—The seeds of the *Strychnos Nux Vomica*, a straggling tree of India, Cochin China, and the East Indies. The fruit of the tree is a large berry, much like a small orange, and in it the seeds are laid flat. From these seeds strychnine and brucine are obtained.

Oak.—The timber of several species of *Quercus*. There are between 250 and 300 species of this tree growing widely within the tropics and the temperate zone. In England the principal of these is the common oak. The timber is remarkable for its strength and durability, and as it is impervious to water it is admirably adapted for shipbuilding.

Oakum.—A waste substance made from old rope by untwisting the strands and rubbing the fibres free from each other. It is principally used for caulking the seams of ships.

Oatmeal.—The flour obtained by grinding oats.

Oats.—The well-known cereal *Avena sativa*. There are more than 40 species of avena, and these are widely distributed over the temperate and cold regions of the globe.

Ochre.—Compact earth or clay composed chiefly of silica and alumina together with the oxides of various metals. The principal ochres are the yellow and the red, the colouring matter of the former being hydrated oxide of iron, and that of the latter hydrated sesquioxide. The natural product is obtained in several English counties, notably Somerset, Devonshire, and Anglesea. There are also deposits of considerable value in Holland and France.

Oil Cake.—Cake left or made out of the solid residue after the extraction of oil from various seeds, the principal being those of the linseed, the rape, the poppy, the cotton, and the palm nut. The cake possesses highly nutritious value as retaining a part of the oil and the whole of the nitrogenous and essential constituents. Oil cake is used principally for feeding sheep and cattle.

Oil, Palm.—A tree belonging to the palm order, of which the Guinea oil palm is the most important as yielding the palm oil of commerce. It is a low-growing species abounding in tropical West Africa. In Europe palm oil is employed very extensively in the manufacture of candles and soap, and for greasing the axles of railway carriage wheels. The export of palm oil is perhaps the greatest of the West African industries.

Oils.—The name applied generally to all fluid substances of whatever nature which flow with a certain degree of viscosity. They are divided into two main groups, fixed oils and volatile or essential oils.

Oleomargarine.—(See *Butter* and *Margarine.*)

Oleo Oil.—A compound of oleic acid and glycerine, extracted from beef suet. It is exported from the United States in very large quantities, Holland and Germany taking the greater portion. In both countries the oil is used in the manufacture of margarine.

Olibanum.—The gum resin obtained from several species of Boswellia, especially the *Boswellia thurifera*, a native of India, but which is now also found in the south of Arabia or in Somali Land. It is now used chiefly as a fumigant, and as an incense in religious worship, possessing a beautiful aromatic odour when burned.

Olive.—A genus of trees or shrubs of which there are about 30 species widely distributed over the warmer temperate regions of the globe. The common olive, *Olea Europaea*, is a native of Syria, but it is found in all parts of Southern Europe. The wood of the olive is used by cabinet makers. The most important product of the olive is olive oil. This substance is the cream and the butter of Italy and Spain. The

best olive oil is made in Tuscany, and Italy is the chief exporting country.

Onions.—The well-known edible bulb, the product of the *Allium cepa*. largely cultivated in the United Kingdom, and imported from Holland, Belgium, Spain, Portugal, Malta, and Egypt.

Opal.—A precious stone, a modified form of quartz. It consists mainly of silica, but other constituents are present, especially alumina and oxide of iron. The finest stones are obtained from Hungary, but precious opals are also found in Saxony, Queensland, and South America.

Opium.—One of the most valuable medicinal drugs. It consists of the dried juice of the unripe heads of a species of white poppy, the *Papaver somniferum*, grown in Turkey, Persia, India, and China. The cultivation of the poppy for the sake of the opium is mainly carried on in Bengal and Oude. It is exported from India to China in enormous quantities. Great Britain derives its supply of opium to a large extent from Persia and Turkey.

Opodeldoc.—Another name for soap liniment, a compound of hard soap, camphor, oil of rosemary, rectified spirit, and distilled water. Arnica opodeldoc is prepared from white soap, rectified spirits, camphor, and tincture of arnica.

Opopanax.—A gum resin obtained from the *Opoponax chironium*, a species of parsnip found in Southern Europe and also in Persia.

Opossum.—A pouch-bearing animal found in various parts of America, from the United States to the Argentine Republic. The animal is hunted for the sake of its fur.

Orange.—The edible fruit of a species of *citrus*, much prized for its delicacy and wholesome qualities. The common orange tree is an evergreen and bears white flowers. It is extensively cultivated in Southern Europe, and in every other part of the world where the climate is suitable. Two well-known varieties of the common orange are the St. Michael's, with thin yellow rind and sweet seedless pulp, and the Malta or blood, with the pulp streaked with crimson. Other varieties are the mandarin, introduced from China, the fruit small and flattened, the bergamot, globose or pear-shaped, and the bitter or Seville.

Orchids.—A very large family of curious plants, of which some thousands of varieties are known, mostly indigenous to tropical regions.

Orchil.—(See *Archill.*)

Ores.—The crude mineral sources of metals, or the natural form in which they are found, and from which they are extracted by various processes of smelting, etc. The most important ores are oxides, in the case of iron, copper, and tin; sulphides, in the case of lead, zinc, and antimony; and carbonates in the case of iron, zinc, and lead.

Organzine.—A variety of thrown silk. When reel threads of silk are twisted they are called "singles," but when two or more of these singles are twisted together in contrary directions the result is known as organzine.

Ormolu.—The name of a mixture of copper and zinc, which is made to resemble gold in colour.

Orpiment.—A sulphide of arsenic, a brilliant yellow pigment, known as king's yellow. The finest qualities are derived from Persia, where it occurs in its natural state as a mineral.

Orris Root.—The root of the *Iris florentina*, a plant extensively grown in Tuscany. Its chief use at the present day is for perfumery.

Osiers.—The twigs or shoots of a species of willow used for basket making and wicker-work. The common osier, *Salix viminalis*, is found in Britain and many parts of Europe.

Osmium.—A very rare metal, always found associated with platinum and alloyed with other metals, especially iridium. It is the most infusible of all metals, and is the heaviest substance known, its specific gravity being 22·5.

Osnaburg.—A species of coarse linen fabric or kind of canvas, manufactured for negro clothing. Its name is derived from the fact that it was originally manufactured at Osnaburg, in Germany.

Ostrich Feathers.—The long plumes of the ostrich, which have been valued for centuries for ornamental purposes. The chief supplies are obtained from South Africa.

Oswego Corn.—The flour made from Indian corn, the manufacture of which is carried on at Oswego, a town of the United States, situated on Lake Ontario.

Otter Skins.—The skins of two distinct animals, the land otter and the sea otter. Many skins are annually imported into Great Britain from North America, those of the sea otter being among the choicest furs of commerce.

Otto of Roses.—(Also called Attar of Roses.) It is a volatile oil obtained by distilling the flowers of the cabbage and damask roses. The supplies of this

substance are obtained from the East, the cultivation of roses for its preparation being carried on in Roumelia, Syria, Persia, and India.

Ova.—The proper meaning of this word is eggs, but it is generally applied to the spawn of fish. In the endeavours to introduce and acclimatise food fishes into various parts of the world, large quantities of ova of salmon and other fish are sent out and form no inconsiderable article of commerce. Salmon spawn is sent chiefly to Australia and New Zealand.

Ox Tongues.—The tongues of oxen prepared and tinned in South America. Enormous quantities are shipped annually from Uruguay, the most prized being obtained from Paysandu.

Oxalic Acid.—An extremely poisonous acid, the salts of which occur abundantly in the vegetable kingdom. It is produced by the oxidation of many organic compounds, but its manufacture is conducted on a large scale by oxidising sawdust with a mixture of the hydrates of potash and soda.

Oysters.—The well-known edible mollusc, that most used for culinary purposes being the common oyster. The chief home supply is obtained from Colchester. Large quantities, however, are imported from France, Holland, and the United States. The pearl oyster belongs to a genus totally distinct from that of the common oyster.

Ozokerit.—A kind of earth-wax or solid paraffin found naturally in Galicia and Moldavia. It is chiefly used in the manufacture of candles.

Palisander Wood.—The timber of several kinds of Brazilian trees, used for the manufacture of furniture. The name is sometimes given to rosewood, striped ebony, and violet wood.

Palladium.—One of the noble metals, resembling platinum in many respects, and generally associated in its ores with platinum. Owing to the fact that it does not tarnish when exposed to the atmosphere, it is very suitable for the construction of philosophical instruments, though its high price does not permit of its common use in this respect.

Palm Oil.—(See *Oil, Palm.*)

Panama Hats.—Light straw hats, made from the finely plaited leaves of a certain kind of screw pine tree of South and Central America. These hats are much prized in the tropics for their lightness, durability, and flexibility. The principal supplies are obtained from Ecuador and Colombia in South America.

Paper.—The common writing material known in various forms for many centuries. At one time it was manufactured almost exclusively from the papyrus or from the paper mulberry; now it can be made from numerous vegetable substances, but those mainly used in Europe are linen, rags, esparto grass, coarse straw, and wood pulp.

Papier Mâché.—The hard, light, and durable substance prepared by compressing paper pulp into moulds in various forms, or by pasting sheets of paper together and subjecting them to high pressure. It is much used for making small boxes, cabinets, trays, etc., and for architectural decoration. The trade is an important Birmingham industry, and imitations of the lacquer work of Japan and China are largely produced. A special papier mâché is that known as ceramic, a soft substance which can be easily worked into any required form. It is a mixture composed of paper-pulp, resin, glue, drying oil, and sugar of lead.

Paraffin.—Paraffins are a series of hydrocarbons, occurring as gases, liquids, or solids, according to the proportion of carbon present in them. They are prepared by the destructive distillation of bituminous shale, or as a by-product in the manufacture of coal gas. Solid paraffin is an odourless and tasteless substance, nearly as hard as beeswax, melting at a temperature of 100° to 140° Fahr. Its principal use is for making candles, a certain amount of stearin being added to the paraffin. It is also used in the manufacture of lucifer matches as a substitute for sulphur, and it can be utilised as a substitute for wax in modelling flowers and fruits. The natural oils of America and Russia, sometimes included under paraffins, are more commonly known as petroleum.

Paraguay Tea.—(See *Maté.*)

Parchment.—The prepared skins of various animals, used for the purpose of writing upon, especially by lawyers for deeds. Ordinary parchment is made from the skins of sheep and goats; vellum, a fine variety of parchment, from the skins of young calves, kids, or lambs. A parchment used by bookbinders is prepared from pigskin. The parchment used for drums is made from asses' skins.

Parsley.—The well-known culinary herb, found in most parts of Europe. A peculiar variety, with white carrot-like roots, is imported into England from Hamburg. Parsley is well adapted for giving flavour to soups and stews.

Parsnip.—A genus of plant of the

same natural order as parsley, cultivated on account of its root, which is, like the carrot, a palatable and nutritious vegetable. In colour it is white. The parsnip is grown in all parts of Europe, and in the north of Asia.

Partridge Wood.—The trade name for various kinds of wood imported into Europe from South America and the West Indies, having a red colour, and streaked in the same manner as the partridge. The wood is used by cabinet makers, and it is likewise employed for making walking sticks, parasol handles, and similar fancy articles.

Patchouli.—A substance used as a perfume, prepared from the dried branches of a species of pogostemon, a native of the East Indies, and grown also in India and Ceylon. In India it is used as an ingredient in the manufacture of fancy tobaccos, and also for a hair perfume.

Peach.—The velvety edible fruit of a species of trees belonging to the same genus as the almond, of the natural order *Rosaceae.* The growth of peaches is widespread throughout the temperate regions of the world, and the fruit is much prized as a peculiar delicacy. There are no less than 200 varieties of the fruit. The cultivation is most extensive in the United States, whence peaches are exported both fresh and tinned.

Pear.—The well-known fruit of the *Pyrus communis*, a tree widely distributed through Europe and Asia. It is extensively cultivated in England, especially in some of the western counties, where there are extensive orchards devoted to the purpose.

Pearl.—The substance formed by several shell-bearing molluscs, which are provided with a secretion with which they line their shells. The principal source from which pearls are obtained is the pearl oyster. The chief fisheries are off Ceylon, but others exist in the Persian Gulf, the West Indies, and Australia. Pearls are of various colours, white, black, and pink, and their value depends upon their size and purity.

Pemmican.—The name given to compressed animal food.

Pennyroyal.—A species of mint, *Mentha pulegium*, distinguished from other varieties by the size of its leaves. It is found in most countries of Europe and Western Asia.

Pepper.—The fruit of various plants of the natural order *Piperaceae.* The principal of these plants is the common or black pepper which is cultivated in most tropical countries.

Peppermint.—The aromatic plant, *Mentha piperita.* It is largely cultivated in England in the counties of Surrey, Cambridge, and Lincoln.

Pepsine.—An albuminous substance, one of the principal constituents of gastric juice. It is a medicinal food digestive, prepared from the walls of the stomach of calves, sheep, and pigs, that derived from the pig being considered the best.

Perry.—A fermented liquor made from pears in exactly the same manner as cider is prepared from apples. When bottled it makes a very good imitation champagne, containing from 5 to 9 per cent. of alcohol. The chief counties in which the business of perry making is carried on in England are Worcester, Gloucester, Hereford, and Devonshire.

Persian Berries.—The product of a Persian tree *Rhamnus cotharticus.* They are of a yellow colour and are used as a dye in calico printing.

Persian Powder.—The powdered flowers of the *Pyrethrum carneum* and the *Pyrethrum roseum*, wild plants growing in Persia and the Caucasus. The powder is useful as an insect destroyer.

Persimmon.—The Virginian date plum, a tree which attains a height of 50 or 60 feet, and produces hard and elastic wood.

Peru Balsam.—The exudation of several species of trees, especially the *Toluifera*, found in South America. It is odoriferous and has the colour and consistence of dark molasses. It is often used in the manufacture of confectionery.

Peruvian Bark.—(See *Cinchona.*)

Petroleum.—(Also called Rock Oil.) It is a thick oil consisting mainly of a mixture of paraffins, olefines, and hydrocarbons of the benzene series. It is found chiefly in the United States, Canada, and Russia, the most celebrated springs in the last-named country being at Baku. It oozes from the ground in natural springs, though additional supplies are obtained by boring and pumping.

Pewter.—A common and useful alloy used for the manufacture of jugs, pots, plates, etc. It is composed of tin and antimony, with the addition of either copper or lead, the former giving the better result. The best pewter, however, is an alloy of tin, antimony, copper, and bismuth.

Phenacetin. — A drug made from

carbolic acid. It has many of the properties of antipyrus.

Phenol.—(See *Carbolic Acid.*)

Phormium.—A plant of New Zealand, formerly known as New Zealand flax, but now classed as hemp. The fibre is exported, and in Scotland it is manufactured into sacking, sheeting, towelling, and table-cloths.

Phosphates.—(See *Manure.*)

Phosphorus.—One of the non-metallic elements. At ordinary temperatures it is a faintly yellow substance, with the appearance and consistence of wax. Phosphorus does not occur free in nature, but it is found in almost all animal and vegetable tissues.

Physic Nut.—A shrub of tropical America and also of the East Indies, called *Curcas purgans*, which yields seeds of considerable medical value. These seeds contain an acrid fixed oil which has many of the properties of castor oil, and which forms a substitute for it. In America the oil is used for lamps and also for dressing cloth. The East Indian variety is used by the Chinese for the preparation of a varnish.

Piassava.—(Also called Piassaba and Piacaba.) The name of the vegetable fibre of two species of palm found in Brazil. The fibre is obtained from the stalks of the fan-like leaves of the palm and exported in large bundles from Bahia and Para. It is used for the manufacture of coarse brooms and brushes, and also for street sweeping machines.

Picric Acid.—An acid obtained by the action of nitric acid on equal parts of carbolic and concentrated sulphuric acid. It is largely prepared in France, and is used as a yellow dye for silk, wool, and leather.

Pigskin.—The tanned skins of pigs are much used for saddlery, bookbinding, portmanteau coverings, etc. They are also used in the manufacture of certain kinds of boots and leggings, and more recently they have been applied to dressing bags and to coverings for furniture.

Pilchard.—A fish of the herring family, abundant off the coasts of Devonshire and Cornwall, and off the south-west coasts of Ireland. The fish is prepared on a large scale in Cornwall, as sardines are prepared in France. The French sardine belongs to the same family as the pilchard, but is smaller.

Pimento.—The well-known spice, the dried aromatic berries of the *Eugenia Pimenta.* The tree is cultivated in many of the West India Islands, but the supply of pimento comes almost exclusively from Jamaica, hence its alternative name, Jamaica pepper.

Pine.—A most important genus of trees belonging to the natural order of *Coniferae.* There are over 100 species of this tree, and they abound in the temperate and cold regions of Europe, Asia, and America. The only species indigenous to Britain is that erroneously known as the Scotch fir. Besides its value as a timber tree, the pine is valuable economically for the tar, pitch, resin, and turpentine obtained from its branches.

Pineapple.—A much valued and delicious tropical fruit, the product of the *Ananassa sativa.* Large quantities are exported from the Banamas and the Azores. West Indian pines are sent to the United States where an immense trade is carried on in canning the fruit both for the home and for foreign markets.

Pins.—These wire fasteners, which are in universal demand, are now made exclusively by machinery. Their manufacture is a characteristic industry of Birmingham, though to a less extent they are made in London, Warrington, and Dublin. In the United States the pin-making centre is Connecticut.

Pipeclay.—A variety of fine white plastic clay, free from colouring impurities, used in the manufacture of tobacco pipes and certain classes of fine pottery. It resembles kaolin but contains a larger percentage of silica. Pipeclay is found in Devonshire, Dorsetshire, and Cornwall.

Pippins.—The name given to certain varieties of apples, of which the best known varieties are Ribston, Golden, and Newtown, all grown in America. Pippins is the name likewise applied to apples that have been dried in the sun, pressed, and stored for winter use. The Normandy pippins are a well-known example of these.

Pistachio Nuts.—The fruit of the *Pistacia vera,* a small tree of southern Europe, used, like almonds, as a dessert fruit and in confectionery. From the nuts an oil is expressed which is employed in flavouring wines and cordials in Greece. The galls collected from the tree are used in dyeing and tanning.

Pita.—A hempen fibre obtained from a species of *Bromelia,* a plant of Central America allied to the pineapple. The plant itself is sometimes known as silk grass.

Pitch.—The black, brittle, glossy solid obtained from the distillation of wood or coal-tar, in which process the volatile oils are driven off. A softer pitch is obtained from bone tar and stearine residues, and this is the pitch valued by varnish and tarpaulin makers. The name pitch is given to natural asphalt, to bitumen, and also to the product of the natural lakes of Trinidad.

Pitchblende.—A brownish or velvety-black mineral of slight lustre, sometimes found in silver or lead ores. Its main use in the arts is for painting on porcelain. Radium is found in pitchblende, though in very small quantities.

Plantain.—The fruit of a plant, *Musa paradisiaca*, which belongs to the same genus as the banana. The tree is a native of the East Indies, but its cultivation is widely spread in tropical America. Unlike the banana the plantain requires cooking before it can be eaten.

Plaster of Paris.—A soft white powder, originally found in the basin of the Seine, near Paris. It can be prepared artificially from sulphate of lime by reducing the sulphate to an anhydrous state by calcination.

Plate Glass.—One of the best kinds of glass, largely imported into this country from Belgium.

Plate Powder.—The ordinary plate powder is composed of a mixture of rouge, which consists of a fine oxide of iron, and prepared chalk. It is used for giving a polish to gold and silver plate or plated articles. Another kind of powder, consisting of one part of mercury and twelve parts of chalk, is frequently employed on account of the brilliant appearance it lends to plate, especially silver plate.

Platinum.—One of the so-called noble metals, greyish white in appearance, and generally associated in its ore with various other metals, such as iridium, osmium, palladium, rhodium, and ruthenium. The ores are now mainly obtained from the Ural Mountains. With the exception of osmium, platinum is the heaviest substance known. It is not affected by exposure to the atmosphere. It is of great value in the manufacture of chemical and electrical apparatus. It is also used for tipping gold pens, and for making fine wire which is capable of supporting heavy weights.

Plum.—The well-known fruit of various species of *Prunus*, valuable as a dessert fruit, as a preserve, and also in its dried state. In addition to the plums grown at home England imports very large quantities from France, where many fine varieties of the plum tree have been cultivated, notably the Orleans, the damson, and the greengage.

Plumbago.—(See *Blacklead.*)

Podophyllin.—The resinous extract obtained from the root-stock of the *Podophyllum*, or May apple, a tree which is common in the shady woods of the United States and Canada. Medically it is of great value in liver complaints.

Pomegranate.—The orange-like fruit of a plant, *Punica granatum*, cultivated in the warmer temperate parts of Europe, Asia, and Africa.

Poplin.—A mixed fabric, used for making ladies' dresses, consisting of a warp of silk and a weft of worsted, the latter being thicker than the former. Sometimes flax or cotton is used instead of worsted. Irish poplins of Dublin are much esteemed in the market. Poplins are made at Manchester in England, and at Lyons in France.

Poppy.—A genus of milky-juiced herbs, of which there are nearly twenty species, distributed through Europe, Asia, Africa, and Australia. The most important is the *Papaver somniferum*, or opium poppy, from which opium is derived.

Porcelain.—The finest kind of china ware, made from kaolin, of a pure white colour and having a certain amount of translucency.

Porcupine Quills.—The thickened hair or spines of the porcupine, a species of rodent of southern Europe and northern Africa. These spines are exported from the Gold Coast, and are used for penholders and fancy work.

Pork.—The flesh of the pig, consisting of those parts which are not smoked and known as ham and bacon. In a pickled state it is exported in vast quantities from the great centres of the pig trade of the United States—notably Chicago.

Porpoise.—The name of a species of marine animal of the whale genus. The common porpoise is very common off the coasts of Britain and is captured for the sake of the oil supplied by its blubber, and for its skin which makes a strong and valuable leather, used for the covering of carriages and other similar purposes.

Port.—A red wine produced in Portugal, and largely exported from Oporto and Lisbon.

Porter.—A dark-coloured liquor, made in the same manner as beer, but from an inferior kind of malt. The colour

is heightened by the addition of liquorice and caramel.

Potash.—Impure carbonate of potassium obtained from the ashes of plants. Large supplies of this substance are drawn from the United States and Canada.

Potash Water.—An aërated water, often wrongly called a mineral water, which is impregnated with bicarbonate of potash before receiving the charge of carbonic acid gas.

Potassium.—One of the alkaline metals. It does not occur in its native state, and it is usually prepared by distilling a mixture of carbonate of potash and charcoal in an iron retort.

Potato.—One of the most familiar and important of vegetables, the edible root of the plant *Solanum tuberosum*. The only valuable part of the plant is its tubers. Introduced from America, the potato has been successfully cultivated in most parts of the world. At the present time there are no less than 500 varieties in existence.

Pottery.—A name which includes all vessels made from earthy materials, especially clay, for use or for ornament.

Powder.—(See *Gunpowder.*)

Printing Ink.—The thick composition made chiefly of lampblack and linseed oil varnish, and used by printers for inking type. (See *Ink.*)

Prunelloes.—The name of small plums imported from France and Austria.

Prunes.—The dried fruit of the Julian variety of the common plum. The fruit is dried either artificially or by simple exposure to the sun. Nearly the whole of the prunes of commerce are obtained from various districts of France, the major portion being grown chiefly in the Bordeaux district. After the Julian variety, the Brignoles, the Catherines, and the prunes d'Eute and Robe Sergent are the best known. From the orchards of the Loire the Tours prunes are obtained, and from Lorraine the variety called Quelche.

Prussian Blue.—A deep blue chemical precipitate useful for dyeing and also for tinting writing paper.

Prussic Acid.—The popular name for hydrocyanic acid. It is a compound of hydrogen, carbon, and nitrogen which combine directly. Prussic acid is intensely poisonous, and has an almond flavour.

Pulse.—The collective name for the seeds of leguminous plants. Peas and beans are the most common and important, and after them come kidney beans, lentils, chick-peas, etc.

Pulu.—A brown silky substance, consisting of fine hairs, obtained from the lower portion of the stalks of the *Cibotium glaucum* and other species of tree ferns found in the Sandwich Islands. It is used in medicine as a styptic. It is also used for stuffing cushions.

Pumice Stone.—A species of fibrous froth-like lava.. Its composition varies, but it is largely composed of silica and alumina. The main supplies are obtained from the Lipari Islands, in the Mediterranean, and the colour of the stone is white or grey. A brown or black variety is exported in small quantities from the Canary Isles.

Pumpkin.—A plant of the cucumber family, important on account of its edible fruit. It is cultivated in all temperate parts of the world.

Purpurine.—One of the chief colouring matters obtained from the madder root, prepared by boiling madder in a strong solution of alum and then treating it with sulphuric acid.

Purree.—This is a yellow dye used principally in India. It is obtained from the urine of cattle which have been fed on mango leaves.

Putchuk.—The root of the *Aucklandia Costus*, which has an odour resembling that of the orris root. The plant is found on the mountain slopes of Cashmere and exported from Bombay, mainly to China. The root is used as an incense both in India and in China.

Putty.—A plastic mixture composed of fine dry whiting or powdered chalk and linseed oil. Putty is used mainly by glaziers as a cement for fixing glass window panes, and by painters in filling small holes and preparing irregular surfaces for their work.

Putty Powder.—The dioxide of tin, prepared from the powdered oxide which forms on the surface of melted tin. This powder is used for polishing stone and glass and for giving an opaque colour to the latter.

Pyrites.—The name given to the crude ores of certain metals combined with sulphur or arsenic. The most common are iron pyrites, a bronze-coloured ore, occurring in all parts of the world, the source of the manufacture of sulphuric acid and sulphate of iron.

Pyroligneous Acid.—A crude commercial form of acetic acid and sometimes known as wood vinegar. It is produced by the destructive distillation of wood, but requires to be freed from its many impurities before it is of any value. It is mainly employed in the manufacture

of acetates and by dyers and calico printers.

Pyroxylin.—(See *Gun Cotton.*)

Quartz. The general name for all minerals composed of silica. When pure it is colourless but in most cases it is found of various colours owing to the presence of foreign matter.

Quassia.—The bitter wood derived from the Jamaica ash, a spreading tree of considerable height, found in the West Indies.

Quebracho.—A wood derived from the *Aspidosperma quebracho*, a tree of the Argentine Republic. Its bark is valuable for its tannin and also for its medicinal properties, acting upon the system in the same manner as quinine.

Queen's Metal.—An alloy intermediate in hardness between pewter and Britannia metal. It is composed of tin, antimony, lead, and bismuth, one part of each of the last three to nine parts of the first. Its use is confined to the manufacture of the cheapest kind of spoons, jugs, pots, etc.

Quercitron.—The bark of the *Quercus tinctoria*, a species of American oak, useful for tanning leather and also for the yellow dye which it yields. The bark is exported from the United States to Europe. The timber of the tree is strong and durable, and it is sometimes used in shipbuilding.

Quicksilver.—(See *Mercury.*)

Quills.—The modification of the hair of some animals, especially of the porcupine family, and the large feathers of certain birds, such as the swan, goose, and turkey.

Quince.—The yellow pear-shaped fruit of a small tree, the *Cydonia vulgaris*, of the natural order *Rosaceae*, found in many parts of southern Europe. It is edible when preserved with sugar, and makes an excellent kind of marmalade, the best variety for this purpose being the quince obtained from Portugal.

Quinine.—The alkaloid obtained from the cinchona bark. It is a powerful tonic, and the most useful and best known remedy in cases of malarial fever. (See *Cinchona.*)

Rabannas.—A species of matting made from the fibre of the *Raphia rubea*, a small plant of Madagascar. It is almost confined, commercially, to the exports from Madagascar to Mauritius.

Rabbits.—The well-known rodent, found abundantly in Britain and in the north-west and centre of Europe. Besides the supplies obtained at home there are large quantities imported into Great Britain from Belgium. Rabbits are commercially important on account of their skins, the hair of which is well adapted for felting purposes. The skins are chiefly used in the manufacture of felt hats and imitation furs.

Rachat-lukumia.—A Turkish sweetmeat. It is composed of sugar and starch and is soft in character.

Racoon.—A species of small bear, which is found only in the United States and Canada. Its skin, which is of a greyish colour, is highly valued as a fur, and is exported from North America.

Radish.—The well-known root eaten alone or made up into a salad. There are at least six distinct species of radish, but two forms are well marked, one having a long carrot-like root, and the other a round turnip-like root. It is grown in all parts of Europe and Asia.

Rafia Fibre.—(See *Rabannas.*)

Rags.—The remains of woollen and cotton clothing after they have served the purposes for which they were originally made. Rags are utilised for various purposes according to the substances from which they are derived. Linen and cotton are still much used for the manufacture of the best kinds of paper and to some extent for the production of surgical lint. Woollen rags are worked up into shoddy, and the fine fragments are dyed and then used for making flock papers for wall decorations.

Rails.—Iron and steel rails form a considerable body of British manufactures both for home consumption and for export.

Raisins.—Dried grapes used for various purposes, such as dessert, cooking and the manufacture of wines. The grapes are the product of certain varieties of vine grown in the Mediterranean countries. Malaga and Valencia raisins are obtained from Spain, sultana raisins, which are seedless, from Turkey, and muscatels from both countries.

Rape Seed.—One of the most important oil seeds of Russia and India, obtained from the *Brassica napus* and the *Brassica campestris*, two plants of the same order as the cabbage. The rape, which is also known as coleseed, is now grown extensively in Britain. The rape or colza oil of commerce is obtained by crushing the seed and is used extensively for oiling machinery and for burning in lamps.

Rappee.—A coarse variety of snuff.

Raspberry.—The red fruit of the cultivated variety of the *Rubus Idaeus*,

a plant widely distributed through Europe and Asia.

Rattans.—The long stems of trailing palms, a species of *Calamus*, sometimes known as cane palms. They are natives of the East Indies, and the slender and jointed stems are exported thence in bundles. They are used for a vast number of purposes in the East, such as chairs, mats, hats, baskets, ropes, and even bridges. In European countries they are of value for the manufacture of cane-bottomed chairs, couches, window screens, trellised furniture, etc.

Realgar.—A red or orange coloured mineral, a bisulphide of arsenic, occurring in prismatic crystals in various parts of Austria-Hungary. When prepared artificially it is used as a pigment.

Reindeer.—A species of deer found in the Arctic regions of Europe, Asia, and America. As a living animal it is invaluable to the natives of the districts in which it is found, and when dead its skin is used in many ways, especially for bedding and clothing, its antlers for various horn materials, and its tongue for food, particularly when tinned. Tinned reindeer tongues are exported from Russia. The flesh of the reindeer is made into pemmican.

Reindeer Moss.—An important lichen found in northern climes and forming a winter food for cattle. In Norway and Sweden it is also used for stuffing pillows. It is common in Britain and is employed largely for the purpose of giving the ground work to cases in which stuffed birds are preserved.

Resins.—A class of vegetable products of great value in the arts. Some are obtained as exudations from various trees, some are found in a fossil condition, while others are extracted from various plants through the agency of alcohol. They are largely employed in the manufacture of varnishes.

Rhatany Root.—The root of a shrub, *Krameria triandra*, found in Bolivia and Peru. The powdered root is used in the manufacture of various tooth powders. Almost the whole of the commercial supply is derived from Peru. Portugal imports the root for the purpose of colouring port wine a deeper red.

Rhea Fibre.—The inner fibre of the *Boehmeria nivea*, a plant of eastern Asia, used for the manufacture of China grass cloth.

Rhinoceros.—A horned animal of Asia and Africa, valuable for its skin and horns, these two alone entering into commerce. The skin can be tanned, but its use is limited. The horns are made into cups, walking sticks, umbrella handles, etc.

Rhubarb.—Various species of herbaceous plants, cultivated and valued for their roots. The best comes from China, though it is called Turkey rhubarb.

Ribbons.—Fabrics of silk, satin, cotton, or other material used principally for trimmings. They have innumerable fancy names according to their texture and the uses to which they are applied. The centre of the ribbon manufacture in England is Coventry. France competes very strongly, and St. Etienne is the principal seat of the trade in that country.

Rice.—The grain of the *Oryza sativa*, a species of grass closely resembling barley in appearance. It is one of the most important of human foods, being the staple of about one-third of the inhabitants of the world. It is grown extensively in all tropical and subtropical countries, and to some extent in Spain, Italy, and Austria.

Rice Paper.—A snowy white paper made in China from the layers of the pith of the *Aralia papyrifera*, a plant which grows wild in the island of Formosa. It is largely used for receiving coloured drawings, for the manufacture of artificial flowers, and for making toys.

Rochelle Salt.—Tartrate of potash and soda, prepared from cream of tartar and carbonate of soda.

Rock Salt.—(See *Salt.*)

Rosemary.—The blue flowering tops of the *Rosmarinus officinalis*, an evergreen shrub found in most countries bordering on the Mediterranean Sea. It is cultivated chiefly for the sake of its essential oil, oil of rosemary, which is used as a stimulating ointment to promote the growth of the hair and as a perfume. It is also an important ingredient of eau de Cologne and Hungary water.

Rose Oil.—The fragrant perfume obtained by the distillation of the leaves of certain roses in water. The preparation of this oil is a characteristic industry in Persia and some parts of India. (See *Otto of Roses.*)

Rosewood.—A valuable fancy wood used chiefly in furniture making, and obtained from various South American trees. The best comes from Brazil, two distinct qualities being shipped from Rio de Janeiro and Bahia respectively. The timber is exported in large slabs and planks. An inferior rosewood is found in Honduras, and another species

of the same wood is obtained from India.

Rottenstone.—A soft siliceous stone, brown in colour, found in Derbyshire and South Wales. It is easily scraped into a powder and is used for polishing and cleaning metals and glass.

Rouge.—A fine dark powder, a variety of oxide of iron, used for polishing gold, silver, and speculum metal. The artificial colouring for the skin, also called rouge, is prepared from safflower by means of citric acid or lemon juice, with the addition of French chalk.

Ruby.—A pure transparent red-coloured variety of corundum, highly prized as a gem. In hardness it is inferior among gems to the diamond alone. Its composition is almost wholly of alumina. The best rubies are obtained from Burmah, and these have the colour of the blood of a pigeon. Rubies of darker colour are found in Ceylon, Siam, and China.

Rue.—An evergreen shrub, a native of southern Europe, but now extensively cultivated in many parts of the world. Its leaves yield a powerfully smelling volatile oil of acrid taste, and straw-like colour, medicinally used in the manufacture of syrup of rue, an infantile remedy.

Rugs.—Woollen fabrics used as carpets, bed coverings, wraps, etc. Besides the large quantities required for home consumption the woollen manufacturing districts of Great Britain supply millions a year to various parts of the world.

Rum.—The distilled spirit made in countries where cane sugar is produced from the skimmings of the sugar pans. An inferior quality of rum is made from the skimmings and molasses, and a still poorer one from molasses alone. Jamaica and Demerara are the principal places of production, and Jamaica rum is the best in the market. An inferior rum is made in France from beetroot molasses.

Rushes.—The popular name for the various species of *Juncus*, found in all parts of the British Isles, and imported by this country from the Continent, especially Holland. The stems are used for making chair bottoms, baskets, mats, etc.

Russia Leather. — The red dyed, tanned, heifer hides imported from Russia, used extensively for book-binding, travelling bags, cigar cases, purses, etc. The red colour is produced by a solution of alum and an extract of sandalwood, and the characteristic smell is due to the use in tanning of empyreumatic birch oil.

Rye.—The edible grain of various grasses allied to wheat and barley, the commonest being *Secale cereale.* It is grown extensively in most parts of the continent, rye bread being a commoner food of the peasantry abroad than wheaten bread. In England it is grown only as fodder for cattle.

Sable.—A mammal of the weasel family, from which is derived the most valuable of all furs. The American or Hudson's Bay sable fur is the skin of the *Martes zibellina.* The fur is generally brown with greyish-spots scattered here and there. In addition to the supplies obtained by Great Britain from America, there are considerable imports to this country from Russia and Siberia.

Saccharin.—A white, semi-crystalline powder of intense sweetness, prepared by complex processes from coal-tar. Owing to various circumstances saccharin, or as it is sometimes called glucide, has not yet become a formidable competitor of sugar for domestic use.

Safes.—Repositories for the preservation and protection of valuable goods or documents from thieves and fire.

Safflower.—(Also called Bastard Saffron.) This herb is extensively cultivated in India, Persia, and other parts of the East, and is valuable for the red dye carthamine, which is obtained from its flowers by treating them with an alkaline solution. Its principal use is for dyeing silk and cotton, and for colouring toilet rouge.

Saffron.—The dried stigmata of the flowers of the *Crocus sativus*, a plant widely cultivated in Mediterranean countries. It is imported into England for culinary and dyeing purposes. The best quality of saffron is obtained from Valencia.

Sage.—A culinary herb much used for seasoning. There are many species cultivated, but the best known and the most common is the *Salvia officinalis*, found in most parts of Europe.

Sago.—A farinaceous substance of great nutritive power obtained from the pith of various species of palms, the principal of which are the *Sagus Rumphii* the *Sagus laevis*, and the *Caryota urens.* This substance is obtained almost exclusively from the East Indies.

Sal.—The timber of a tree of northern India, the *Shorea robusta.* It is hard, dark brown, coarse grained, and very durable, though somewhat less so than

teak. The wood is used for making bridges, gun carriages, railway sleepers, etc.

Sal Ammoniac.—The hydrochlorate or muriate of ammonia of extensive use in chemistry and medicine.

Sal Prunellae.—Nitrate of potash, purified in mass, or fused into circular cakes or small balls. It is used for various chemical purposes and also for the preparation of gunpowder.

Sal Volatile.—A solution of carbonate of ammonium mixed with ammonia and dilute alcohol. It is the common smelling salts of commerce.

Salicin.—A white crystalline powder composed of carbon, hydrogen, and oxygen. It is obtained from the bark of several species of poplar and willow. It is much used medicinally as a substitute for quinine, and also to adulterate that substance.

Salicylic Acid.—An organic acid, originally prepared from salicin, but now generally obtained by heating sodium phenate in a current of carbonic acid gas. It is a valuable antiseptic, and it is also of the greatest value in cases of acute rheumatism.

Salmon.—The choice river fish caught extensively in various parts of the British Isles, and imported into this country fresh from Norway and Iceland. The fish is cured in Scotland. Large supplies are obtained from British Columbia, where the salmon are preserved and tinned and then exported to all parts of the world.

Salsify.—A purple flowered herb common throughout Europe and Asia. It is chiefly cultivated on account of its sweet edible roots.

Salt.—The universal condiment, generally known as common salt, to distinguish it from the large body of other substances known to chemists as salts. Its proper name is chloride of sodium, chlorine and sodium being its constituent parts. Salt occurs in seawater and the supplies of some countries are still obtained by the evaporation of sea-water. For others the great natural beds of salt found in many parts are better and more serviceable. The largest deposits of rock salt are found in the mines of Wieliczka, in Galicia. In England enormous supplies are obtained from the brine springs of Cheshire.

Salt, Spirits of.—(See *Hydrochloric Acid.*)

Salt Cake.—An impure sulphate of soda, also known as nitre cake.

Saltpetre.—(See *Nitre.*)

Sandalwood.—The odoriferous wood obtained from several species of the *Santalum*, a tree of India and the East Indies. The timber is close and fine-grained, and is held in much esteem by cabinet makers, carvers, and engravers. Owing to its peculiar smell it is proof against the ravages of insects.

Sandarach.—A yellowish inflammable resin obtained by exudation from a certain cone-bearing tree of the north of Africa, principally Morocco. It resembles mastic in appearance and some of its properties, and is used for the preparation of French polish.

Sappan Wood.—The wood of the *Caesalpinia Sappan*, a large tree of southern India and Bengal. A red dye is obtained from this wood which is largely used in calico printing.

Sapphire.—A transparent variety of corundum, highly prized as a gem. Although found of different colours, blue is the prevailing hue. The sapphire is nearly as hard as the diamond. The finest sapphires are found in Ceylon and Burmah. Inferior ones are obtained in Australia and the United States, whilst those of Bohemia are of little or no value.

Sapucaia Nuts.—The edible seeds of the urn-shaped fruit of the *Lecythis zabucajo*, a tree very common in the forests of the north of Brazil. In England they are commonly known as monkey nuts.

Sardine.—A small fish very plentiful off the coasts of France and Spain, deriving its name from the island of Sardinia. It is of the same genus as the pilchard.

Sarsaparilla.—The dried roots of several species of *Smilax*, a shrub of Central and Southern America. There are two special varieties obtained from Jamaica and Lima respectively. It is much used as a tonic.

Sassafras.—A species of laurel widely spread over the United States and Canada. The wood, the bark, and the root are of great medicinal value, especially in cases of skin diseases and rheumatic affections.

Satin.—A well-known fabric composed of closely woven silk, sometimes dressed with gum, having a beautifully smooth shining surface. The best satins are manufactured at Lyons, but much satin is now made in England. Its principal uses are for making dresses and ribbons. Inferior kinds are called satinet, and fabrics made of cotton and wool, woven

in the same manner as the silk fabric, are known as sateen.

Satin Wood.—The yellow coloured wood obtained from two different species of trees, one found in Southern India, the other in the West Indies. When polished it possesses a lustre like that of satin. It is used in the manufacture of certain kinds of furniture, for panelling the cabins of passenger steamers, for inlaying, and for the manufacture of picture frames, the backs of toilet brushes, and other ornamental articles.

Sausages.—Various kinds of chopped meats, mixed with flour or bread and spices, and packed in inflated gut skins. The skins are largely imported from Australia.

Sauterne.—A French white wine produced in the district of the Gironde, made from a species of over-ripe grape. The best brand is that of the Château Yquem.

Savin.—The oil obtained from the fruit of a species of juniper, ***Juniperus Sabina***, a tree found in Italy and in some parts of the United States.

Savoy.—The well-known winter cabbage, resembling the common cabbage in every respect except that it has wrinkled leaves.

Sawdust.—The waste of wood when cut or sawn. Besides its use for sprinkling floors, stuffing dolls and cushions, and packing goods, sawdust is commercially valuable in the manufacture of oxalic acid, packing for fire proof safes, and soda ash.

Scammony.—The grey gum resin obtained from the root of the *Convolvulus Scammonia*, a wild plant of Asia Minor. The best scammony is obtained from Aleppo, that of Smyrna being of a very inferior quality.

Scrap.—Waste old iron.

Screws.—These well-known articles are now made entirely by machines of ingenious construction. They are of metal or wood. The centre of the manufacture in England is Birmingham.

Seal.—The name commonly applied to all species of Pinnipedia except the walrus. They are found in the seas of the Arctic and north temperate regions of Europe, Asia, and America, and are valuable for their furs and for the oil taken from them. The greatest supplies are obtained from the Behring Strait, Greenland, and Newfoundland.

Sealing Wax.—A composition used for securely fastening letters and attaching impressions. The best red sealing wax consists of a mixture of shellac, Venice turpentine, and vermilion, to which are added small quantities of magnesia and chalk.

Seidlitz Powders.—A common aperient sold by chemists. They are composed of bicarbonate of soda, tartrate of potash, and powdered tartaric acid. The name is derived from Seidlitz, a town in Bohemia, where there is a natural spring of water containing the same elements.

Seltzer.—The natural effervescing seltzer water is obtained from the springs at Nieder-Selters, in Nassau.

Semolina.—The grains of hard wheat which are not ground into flour in the process of milling, and purposely left in that state by the arrangement of the mill stones. Semolina is produced in Italy and the substance is almost exclusively obtained from that country.

Senega Root.—The dried root of a small herb, *Polygala Senega*, found in the United States. It is popularly known in America as the snake root.

Senna.—A drug of much medicinal value consisting of the dried leaflets of several species of *Cassia*. There are two principal varieties, the Alexandrian, chiefly grown in Egypt, and the Tinnivelly, obtained from the East Indies.

Sepia.—A brown pigment prepared from the ink-bag of a species of cuttle fish found in the Mediterranean. It is much used as a water-colour, and it is also employed by draughtsmen in the preparation of plans and drawings.

Serge.—A rough variety of twilled cloth made from worsted. It has a wide range of quality, and is generally dyed black or dark blue.

Sesame.—The herb of the genus *Sesamum*, commonly cultivated throughout the East on account of its seeds, which produce gingili oil, a pale, straw-coloured, sweet oil which is used for perfumery and also as a substitute for olive oil.

Seville Oranges.—(See *Oranges.*)

Shabrack.—The covering for cavalry saddles, made from cloth or from sheepskins with short curly wool.

Shaddock.—A tree of the citron order, a native of the East Indies, but introduced and cultivated in southern Europe and in the West Indies.

Shagreen.—A kind of parchment or leather prepared from the skins of horses and asses. It is much used for covering cigar cases, cabinets, small boxes, and similar ornamental articles. The name is also applied to the prepared skins of sharks, rays, and various other fish.

Shale.—The rock resulting from stratified and hardened mud and clay. It is composed of alumina and silica, and is coloured by oxide of iron. It is obtained in various parts of England and Scotland, and is commercially valuable for the production of paraffin.

Shawls.—Wraps, chiefly made of wool, worn in all parts of the world. Those obtained from the East have always been held in great esteem, especially the shawls of Cashmere, made from the soft inner wool of the Tibet goat.

Shea Butter.—A greenish coloured oil, of the consistence of tallow, obtained from the seeds of the *Butyrospermum parkii*, a tree of West Africa.

Sheep.—The domestic animal, of which there are about twelve species, valued for the food and the wool obtained from it. Sheep-rearing is one of the greatest industries of Australia.

Shellac.—(See *Lac.*)

Sherry.—The general name for the better sort of white wines produced in the neighbourhood of Xeres, near Cadiz, the finest vineyards being situated at Xeres de la Frontera.

Shingles.—Flat pieces of wood, generally oak or pine, cut by machinery and used for roofing like slates or tiles.

Shoddy.—A material produced in Yorkshire and Lancashire and largely used in the manufacture of cloth. The chief centres of the trade are Batley, Dewsbury, and Leeds. It is made of the wool obtained from worn and ragged woollen goods, with the addition of a certain amount of fresh wool.

Shola.—The white pith of an Indian plant, *Aeschynomene aspera*, which is a bad conductor of heat and much used in the manufacture of the helmets worn by the British in India. The substance is also employed for making fans, toys, etc.

Silk.—The fibre on the cocoon of the silkworm, chiefly the *Bombyx mori*. It is the strongest, most lustrous, and most valuable of all textile fabrics. The manufacture of silk and of silk goods is mainly carried on abroad, the principal countries manufacturing in Europe being France, Belgium, and Holland.

Silkworm Gut.—A very strong material used by anglers for dressing the hook-ends of fishing lines. It is prepared from the caterpillars of the ordinary silkworm.

Silver.—The beautiful hard white metal which has been held in highest esteem from the earliest times. It is sometimes found in a free state, but frequently compounded with other elements, as with chlorine to form horn silver, and with sulphur to form silver glance. It exists in small quantities in samples of galena, and the most productive of the ores obtained in the British Isles are found in the Isle of Man. In Europe, silver is found in Spain, Austria, and Germany, but the discoveries of the rich deposits of the New World, from the United States to Chili, have led to the neglect of the European mines.

Simaruba.—The root bark of the *Simaruba amara*, a tree found in various parts of the tropics in Asia, Africa, and America. It has a characteristic bitter taste. The bark is often used as a substitute for quassia, and known as such.

Sisal Hemp.—The fibre obtained from the *Agave rigida*, a plant of Mexico. The greater portion is sent to the United States. The fibre is strong and glossy, and admirably adapted for rope making on account of its damp-resisting properties.

Sissoo Wood.—The timber derived from the *Dalbergia Sissoo*, a tree of the rosewood type found in India.

Size.—A species of glue or varnish used by house-painters, papermakers, gilders, etc. It is variously composed of linseed oil, red lead, vermillion, etc., mixed with turpentine.

Skunk.—A species of animal belonging to the weasel family, found in many parts of the United States. Its skin is of high commercial value, and is often passed off as Alaska sable.

Slag.—The refuse obtained from smelting works, glass foundries, etc. At one time all slag was waste, but it is now utilised for a great number of purposes.

Slate.—A hard clay-like rock which splits up into thin sheets. It is of various colours, grey, blue, green, purple, or black, and a red slate is found in the province of Quebec. The chief supplies of slate are obtained from Wales, the Lake District, and various parts of Scotland.

Smalt.—A metallic powder, blue oxide of cobalt melted with carbonate of potassium and sand, which is really pulverised glass. It is used in the manufacture of blue glass, in the colouring of porcelain and earthenware, and in tinting paperhangings, linen, calico, etc.

Snuff.—A powdered preparation of

tobacco, made by grinding the chopped leaves and stalks of tobacco in which a certain amount of fermentation has been set up by moisture and warmth. It is variously flavoured.

Soap.—The chemical meaning of soap is much wider than the commercial one. The former includes all combinations of fats or fatty acids with alkaline or metallic salts; the latter is confined to compounds containing potash and soda only.

Soapstone.—(See *Steatite.*)

Soapwort.—The root of the *Saponaria officinalis*, a herb of Asia Minor, though sometimes found in various parts of Europe. It contains a gum and a resin, and the leaves of the plant produce a lather in water like that of soap, and the liquid is used for washing silk and wool, which it thoroughly cleanses, and to which it adds a beautiful lustre.

Soda Ash.—The commercial form of carbonate of sodium, one of the most useful of chemical products. It was formerly obtained almost entirely from seaweed. Now it is made from common salt by two distinct methods.

Soda, Bicarbonate of.—Commonly known as baking powder. It is prepared by the passage of a current of carbonic acid gas over soda crystals.

Soda, Caustic.—A white solid substance, largely used in the manufacture of soap, paper, glass, various fabrics, etc.

Soda Crystals.—This is the ordinary washing soda. It is prepared by dissolving soda ash in water, boiling down the solution to a certain extent, and then allowing it to cool.

Sodium.—The most widely distributed of the metals of the alkalies, occurring in many compounds, especially common salt, caustic soda, bicarbonate of soda, etc. The chief of these compounds are noticed under separate headings.

Sodium, Chloride of.—(See *Salt.*)

Sodium, Nitrate of.—(See *Saltpetre.*)

Sodium, Sulphate of.—(See *Glauber's Salt.*)

Solder.—A fusible alloy of lead and tin used for joining metals. The exact proportions in which these metals are combined vary according to the particular work for which the solder is required.

Sole.—A genus of flat fish, very common round the shores of Great Britain, and very largely taken and sold in English markets.

Soy.—A sauce made in China and Japan from the seeds of the *Soja hispida*, a plant much cultivated in both these countries. The seeds resemble small kidney beans and are a very nutritive food. Soy is a common and much used condiment in the East. It is exported from China and Japan to England and the United States, and it enters into the composition of the majority of English sauces.

Spanish Fly.—(See *Cantharides.*)

Spelter.—(See *Zinc.*)

Speculum Metal.—The hard alloy composed of copper and tin, two parts of the first being mixed with one part of the second. It is used for the mirrors of reflecting telescopes.

Spence's Metal.—A greyish-black substance, somewhat like cement, formed by melting together sulphide of iron and sulphur. It melts at a low temperature and is used for making busts, medallions, etc., and also like lead for joining pipes.

Spermaceti.—A white fatty substance prepared from the oil obtained from the head of the sperm whale.

Spices.—Various aromatic condiments and substances used for flavouring.

Spiegeleisen.—A variety of iron containing a large proportion of carbon and manganese. It is chiefly used in the manufacture of bessemer steel.

Spikenard.—This perfume, also known as nard, is obtained from the root of the *Nardostachys Jatamansi*, a small plant which is found in the north of India.

Spinach.—The wholesome and well-known pot herb, the deep green leaves of the *Spinacia oleracea*, a plant cultivated in all parts of Europe.

Sponge.—The horny substance consisting of the skeletons of certain marine animals which are always found fixed to rocks. The sponges of commerce are mostly obtained in the Mediterranean Sea and off the West Indies. The finest are found in the waters of Turkey, and there is a large export trade from Smyrna.

Sprats.—Well known small fishes of the herring genus. They are very abundant off the shores of Britain and the western coasts of Europe generally, especially in autumn and winter.

Spruce.—A species of pine tree. The best known is found in Norway, and supplies white deal and the substance called Burgundy pitch. Its bark is used for tanning.

Squills.—A genus of bulbous plants belonging to the order *Liliaceae*, of which there are no less than seventy species. They are natives of southern Europe, but are now widely spread over most parts of the old world. The variety

used medicinally is the *Scilla maritima* of Algeria.

Squirrel.—The skins of these little rodents are in much request for fur-linings. Large numbers of the skins are annually imported into this country from Russia and Siberia, those obtained from the latter country being esteemed the best.

Starch.—The substance occurring in grains in the cellular tissues of all plants, excepting certain kinds of sea-weed and lichens. It is a compound of carbon, hydrogen, and oxygen. The chief centre of manufacture in Great Britain is Paisley, where maize is used. At Norwich starch is made from rice, and at Belfast from wheat.

Steatite.—A hydrous silicate of magnesia, generally white or yellow in colour, occurring in many parts of the world and found in large quantities in Cornwall. It is soft to the touch and easily cut. Common steatite, or soapstone as it is generally called, is used for various purposes, especially polishing mirrors, fulling cloth, and diminishing friction in machinery.

Steel.—One of the three varieties of iron, the other two being wrought iron and cast iron. It is formed when bars of wrought iron are heated to redness for a certain time in contact with charcoal.

Steel Pens.—The common writing instrument manufactured entirely by machinery. The centre of the industry is England, and the principal place of production in the world is Birmingham.

Stilton.—The rich cheese, originally made at Stilton in Huntingdonshire, but now manufactured in several other parts of the country. It is the best of all English cheeses.

Storax.—A resin obtained by exudation from the stem of the *Styrax officinalis*, a shrub of Greece and Turkey. It was formerly much used in medicine and perfumery, but its place has been taken by liquid storax, a soft, viscid, dark brown resin obtained from the *Liquidambar orientale*, a tall tree of Asia Minor. This substance is exported exclusively from Smyrna.

Straw.—The dried stalks or stems of various cereals. It is much used in agriculture as a bedding material and in the making of farmyard manure, and it is valuable for packing, thatching, making door mats, baskets, mattresses, etc. It is likewise a paper-making material, the straw being reduced to a pulp and transformed into sheets when it is known as straw-board.

Strawberries.—The sweet succulent fruit of various cultivated species of *Fragaria vesca*, widely distributed through the temperate regions of the globe.

Strontium.—A metallic element resembling calcium and barium in its chemical properties. It occurs as a constituent in the minerals celestine and stronianite found in Scotland, especially in Argyleshire.

Strophanthus Seeds.—The seeds of the *Strophanthus hispidus*, a plant of which there are several species, found in the tropical regions of Asia and Africa. Its medical properties are similar to those of digitalis. The imports are derived almost exclusively from West Africa.

Strychnine.—The powerful alkaloid poison obtained from the seeds of the *Strychnos Nux Vomica*, a shrub of the East Indies. Its taste is intensely bitter and its properties extremely poisonous.

Sturgeon.—A fish belonging to the Ganoid genus, of which there are about twenty-five different species. The common sturgeon is sometimes found in the rivers of Great Britain and is a royal perquisite. The sterlet is a small species of sturgeon, found principally in the Volga and the Danube. The products of the sturgeon, isinglass and caviare, form an important part of the commerce of Russia, especially at Astrakhan.

Suet.—The pure solid fatty matter which occurs in masses about the intestines of several domestic animals, especially sheep and oxen. Beef suet is mainly used in cookery, while mutton suet is employed for medicinal purposes, particularly in the preparation of ointments and plasters.

Sugar.—The well-known article of food which occurs in the juices of many plants, but which is now prepared for commerce almost exclusively from the sugar cane and the beetroot. The sugar cane is a gigantic grass found in the tropical regions of both hemispheres. Beetroot sugar is prepared from the beet, the root being crushed or sliced and the solution boiled down.

Suint.—The grease obtained from sheep's wool during the process of washing, sometimes known as wool fat, and also as lanoline. It has lately been used for soap making.

Sulphonal.—An opiate of very complex composition, only recently recognised in medicine.

Sulphur.—One of the most important

of the non-metallic elements. It occurs free in certain volcanic districts, particularly in Sicily and Iceland, where it appears as yellow transparent crystals. In combination with many metals it forms sulphides, which constitute the ores from which the metals themselves are ordinarily obtained. The chief of these sulphides are galena and blende. The principal supplies of sulphur come from Sicily.

Sulphuric Acid.—The most important acid known, as it is used not only in various arts and manufactures, but is the means by which numerous other acids are prepared. Commercially it is generally known as oil of vitriol.

Sultanas.—Small raisins imported from Turkey. They have neither pips nor stones.

Sumach.—The wood of the *Rhus colinus*, a tree of southern Europe, from which a valuable yellow dye is obtained. The bark is very rich in tannin, and is used extensively for the preparation of the finest kinds of leather.

Sunflower.—A genus of coarse plants, of which the commonest example is the *Helianthus annuus*. In Germany and Russia it is grown on a large scale for the sake of its seeds, which are variously used in commerce as a food for poultry, as a substitute for coffee, as a source of oil which is little inferior to olive oil, and as a substance for making oil cake.

Sunn Hemp.—Otherwise known as Indian hemp. It is the fibre obtained in southern Asia and tropical Australia from various species of *Crotolaria*. The fibre, which is less soft than jute, is used for the manufacture of rope, twine, sackcloth, and other materials.

Tacamahac.—(Or Tacamahaca.) The resinous exudation of various trees of tropical America, the principal being the *Icica tacamahaca* of Brazil. It has a pleasing odour, and is often burned as incense in churches.

Talc.—A mineral composed almost entirely of silica and magnesia in the proportions of two to one. It occurs in combination with other rocks in Scotland, the Pyrenees, the Tyrol, and the United States. Talc is used for various purposes, among which may be mentioned the manufacture of porcelain clay, fulling, and the making of crucibles and crayons.

Tallow.—The harder and less fusible varieties of the fat of animals, especially that of oxen and sheep. It is composed of stearine, palmitin, and olein in varying quantities.

Tamarind.—The fruit of the leguminous *Tamarindus indica*, a lofty tree grown in the tropical parts of Asia, Africa, and America.

Tampico Fibre.—The fibre obtained from the leaves of the *Yucca baccata*, a Mexican plant, and shipped chiefly from Tampico, on the Gulf of Mexico. It is manufactured into cordage, rugs, and various fabrics.

Tapioca.—The granulated starch of a species of *Manihot*, extensively cultivated in South America, and also in the East Indies. The starch is obtained from the root of the plant, and carefully roasted. The chief exports are from Brazil and Singapore.

Tar.—The dark, semi-solid substance, of disagreeable smell, obtained as a product of the destructive distillation of various organic substances. The tars of commerce are derived from the distillation of coal and wood.

Tartar, Cream of.—(Also known as Bitartrate of Potash.) It is obtained by purifying crude argol. It is sometimes used as a baking powder.

Tartaric Acid.—An important organic acid, occurring free or in combination with bases in the fruits and juices of many plants, especially the grape. It is prepared from argol, an impure bitartrate of potash, which is deposited in wine vats during fermentation, by treatment with chalk and sulphuric acid.

Tea.—The dried leaves of a species of plants included in the genus *Camellia*. Although there are several species, the tea of commerce is derived from the *Camellia theifera* (var. *Sinensis*) of China, and the *Camellia theifera* (var. *Assamica*) of India. Tea is obtained from China, India and Ceylon, and more than one half of the supplies of the world are derived from the Empire of India. Of black teas the best are known as Congou, Pekoe, Souchong, and Bohea, while Hysons and Gunpowder are the principal green varieties. In Central Asia and Tibet tea, pressed into the shape of bricks, and hence called brick tea, is most commonly used. It is prepared with a slight admixture of butter and salt.

Teak.—The hard and durable timber of the *Tectona grandis*, a gigantic tree of India and the East Indies. It is particularly prized for shipbuilding and the construction of bridges. Teak is mainly exported from Burmah.

Teasel.—A species of herb of which the best known is the *Dipsacus fullonum*, found to a certain extent in England,

and very common in southern Europe and northern Africa. The flower heads are used by cloth manufacturers for passing over the surface of cloth and raising the nap.

Terra-cotta.—A kind of pottery or earthenware, the name signifying baked clay. It is simply a superior variety of brickwork and is largely used for decorative purposes, statuary, etc.

Thread.—The fine cord or filament of cotton, flax, or silk, used for sewing. Any fibrous substance which is woven is first spun into yarn and called thread, but sewing thread consists of two or more yarns twisted together. Cotton thread is made at Manchester and Glasgow, but the chief centre of the manufacture is Paisley, which turns out about one-half of the thread required by the whole world. Silk thread is often known by the name of twist.

Thyme.—A species of shrub grown in various parts of Europe, and used for culinary purposes.

Tin.—The well-known beautiful and lustrous white metal. It is extremely malleable, and can be rolled out into very thin plates, called tin-foil. Tin undergoes little change when exposed to the air unless it is heated, when a film of oxide forms on its surface.

Tincal.—The name for crude borax which is imported from India in its impure condition.

Tobacco.—The dried leaves of several species of *Nicotiana*, the principal being the *Nicotiana persica*, the source of the highly prized Persian tobacco, the *Nicotiana rustica*, from which the tobacco of Latakia, Turkey, and Manilla are derived, and the *Nicotiana repanda*, the American variety of the plant.

Tokay.—A renowned brownish-yellow wine of Hungary, made from the grapes of the vines which grow on the slopes of the Hegyalja Mountains. There are several varieties of this wine on the market, the principal being the Essence, regarded by some judges as the best of all wines, and the Ansbruch.

Tolu.—(See *Balsam.*)

Tomato.—The well-known culinary vegetable, the fruit of the *Lycopersicum esculentum*. It is often known as the love apple. A native of South America, it was introduced into Europe nearly four centuries ago and thrives in most countries, but especially in Italy.

Tonca or *Tonquin Bean.*—The seed of the *Dipterix odorata*, a tall tree which grows in the northern part of South America, especially Guiana. It is much used by perfumers for scenting purposes, especially for scenting snuff.

Tongues.—The tongues of certain animals are highly esteemed as food and enter largely into commerce, especially when tinned. The chief of these are ox tongues, which are exported in enormous numbers from Uruguay, and reindeer tongues which come from Russia. Sheeps' tongues, fresh and frozen, are obtained from Australia.

Topaz.—A mineral generally included among gems. It is largely composed of silica, alumina, and a small quantity of oxide of iron. It is extremely hard. Its colour is generally of a yellowish hue, but pink and blue varieties are sometimes found. It occurs in many parts of the world, but the topazes most prized by jewellers come from Brazil.

Tortoise-shell.—The epidermal horny plates which cover the back of the hawksbill turtle, the carnivorous reptile found along the coasts of the United States.

Tow.—The waste fibre or refuse which remains in carding flax and hemp. In addition to the tow obtained in Great Britain large quantities are imported from various foreign countries. Tow is largely employed in the manufacture of bags, sheetings, and yarn. It is also used in the manufacture of paper.

Toys.—In addition to those made in Great Britain, principally in London and Birmingham, there are large imports of toys from various foreign countries. Many of the toys imported into England are re-exported to the colonies and to the United States.

Treacle.—The dark, viscous, uncrystallisable juice of the sugar cane obtained in the manufacture of sugar. It is that syrup which remains when the crystallised sugar has been separated.

Truffles.—A genus of fungi which grow underground, chiefly used as a flavouring agent for culinary purposes. They are not common in England, but the crop in France is said to be of the annual value of one million sterling.

Tulips.—The well-known flowers which have been, and are still, extensively cultivated in Holland. Hundreds of acres are under cultivation in the Netherlands, principally in the neighbourhood of Haarlem.

Tulip Tree.—A magnificent tree of the temperate parts of North America. Its pale yellow timber is valued by coach builders and cabinet makers on account of its lightness, strength, and durability.

6—(1420)

Tulle.—The thin silk lace fabric of very open structure, used for trimmings, caps, veils, etc. An imitation tulle is made of cotton. The manufacture is fairly distributed, though it was originally confined to the town of Tulle, in the department of Corrèze, France.

Tungsten.—A white, hard, brittle, heavy metal found in Cornwall, generally in combination with tinstone. It is sometimes used in small quantities to give additional hardness to steel.

Tunny.—A fish of the mackerel order, found abundantly in the Mediterranean. In addition to its use as a food, an oil is obtained from it, which, like several other fish oils, is used for dressing leather.

Turbot.—The well-known flat fish, which is highly prized as a food and which is inferior in value to the sole alone. It is very plentiful off the coasts of Great Britain and France, and the demand for it is very great in both countries.

Turmeric.—The yellow dye obtained from the roots of the *Curcuma longa*, a plant which is widely distributed throughout the tropical regions of the globe. The best turmeric is still obtained from India.

Turnip.—The hardy biennial plant, the roots of which are valuable as a cattle food as well as a flavouring agent for soups, stews, etc. There are two principal varieties, the ordinary white turnip and the yellow swede.

Turpentine.—The oily, semi-solid, resinous substance which exudes from various species of pine trees, though Venice turpentine is obtained from the larch. The chief seat of the turpentine industry is North Carolina.

Turquoise.—A mineral occurring in differently shaped masses, of a blue or bluish green colour, much used in jewellery. The best specimens are found in Persia.

Turtle.—Marine reptiles, one of the most valuable species being the green turtle annually imported in large numbers from Ascension for the manufacture of turtle soup. The hanksbill turtle of America is the source of tortoise-shell.

Tusseh.—A peculiar coarse silk obtained from several large moths of India, especially the *Antheraea mylitta*. During recent years this silk has been increasingly in demand and large imports are made annually by Lyons.

Tweeds.—A special class of Scotch woollen fabrics of a stout, close-woven texture, used for male clothing and sometimes for ladies' mantles.

Twills.—Woven ribbed cloths in which the warp is raised one thread and then depressed two or more threads for the passage of the weft.

Ultramarine.—A beautiful blue pigment used by painters, paper-stainers, calico printers, and others. It is artificially compounded by mixing china clay, charcoal, and sulphate of sodium, and roasting the whole with sulphur. Ultramarine is manufactured extensively in Germany, France, and Belgium.

Umber.—A pigment of various shades of brown, a brown earthy mineral obtained chiefly in Italy and Cyprus, though sometimes found in England and Wales.

Valencias.—A variety of raisins made from grapes grown in Turkey.

Valerian.—A well-known shrub of which there are many different species, that of Britain being the *Valeriana officinalis*, or common valerian. It is useful medically as a stimulant.

Valonia.—The commercial name of the acorn cup of a species of oak, *Quercus aegilops*, which flourishes in southern Europe, Asia Minor, and Syria. It is very rich in tannic acid, and is consequently in great demand by tanners.

Vanadium.—A very rare metal, generally found in certain iron ores and clays. It enters but little into commerce, though some of its salts are used for making aniline black, and for colouring porcelain.

Vanilla.—A species of orchid, and the only variety which has any commercial value. The most esteemed fruit is a native of the West Indies, but it is now extensively cultivated in most tropical countries. The chief imports are from Mexico, Brazil, and Mauritius.

Varnishes.—Solutions of gum resins in various volatile liquids and fixed oils, used for coating wood and metal work to protect it from exposure to air and moisture.

Vaseline.—A pale yellow semi-solid substance obtained from petroleum or paraffin. It possesses neither taste nor smell. Vaseline has the advantage over animal fats of never becoming rancid.

Vegetable Ivory.—(See *Ivory.*)

Vegetable Marrow.—(See *Gourd.*)

Vellum.—(See *Parchment.*)

Velvet.—A dress fabric made of silk, and woven with a looped surface. This surface is cut, and a thick, fine, close-set pile is the result. A mixture of cotton and silk stuffs manufactured in the same way as velvet is known as velveteen. The great centres of the velvet trade are Lyons and Crefeld.

Verdigris.—A green or blue pigment used by painters and dyers, and also employed in the manufacture of other green colours.

Verditer.—A blue or green pigment, the hydrated oxide of copper, the colour varying according to the completeness of the oxidation. It is mainly used for pap r-staining.

Vermicelli.—The finer form of macaroni, made entirely in Italy.

Vermilion.—The red sulphide of mercury, also called cinnabar, obtained by grinding the native cinnabar. It is, however, generally made artificially by heating a mixture of mercury and sulphur, and afterwards grinding the whole. Vermillion is used in painting and for colouring sealing wax.

Vermouth.—A bitter coloured wine flavoured with wormwood, gentian, and other herbs. It is manufactured in France and Italy, and in the latter country it is much used as a cordial and appetiser, especially when diluted. The small English imports are obtained from Geneva and Marseilles.

Vetiver.—The fragrant fibrous root of a grass called kuskus, found in swamps in India. In the East the roots are used for weaving into baskets, fans, screens, and covers.

Vevey.—The name of a peculiar kind of cigars which are manufactured and exported from Vevey, Switzerland.

Vinegar.—A form of acetic acid largely used for culinary purposes. It is a product of the fermentation of various vegetable substances. In Great Britain, vinegar is generally made from malt, while on the continent of Europe it is chiefly made from cheap sour wines.

Vitriol, Oil of.—The commercial name for sulphuric acid.

Vulcanite.—(See *Ebonite.*)

Walnut.—The popular name of the fruit of the *Juglans regia* as well as of the tree itself. The timber is extremely hard and durable, and does not split. It takes a fine polish, and is used for making furniture and gun stocks. The bark is useful for tanning purposes.

Walrus.—A marine mammal of the northern arctic regions, sometimes known as the morse. It is commercially valuable for the oil obtained from its blubber, and for the ivory obtained from its tusks, which is whiter and harder than elephant ivory.

Watches.—The best watches are made in London, but the introduction of machinery in the United States has enabled watches and clocks to be produced at an extremely low price. Switzerland, France, and Germany also export large numbers of watches.

Water Melon.—(See *Melon.*)

Wax.—(See *Beeswax, Candleberry, Japan Wax.*)

Whalebone.—The long thin plates which are developed in the roof of the mouth of certain species of whale. They are not bone at all, but rather a kind of hair.

Wheat.—One of the most important of the food grains of commerce, the product of the *Triticum vulgare.* It is more grown in the temperate parts of the world than any other grain, and it is the staple food of the more highly civilised races.

Whisky.—The well-known spirit distilled from malt or a mixture of malted and raw grain. It is also largely made from potatoes and other starch-yielding materials.

White Lead.—A pigment much used by painters, made by the decomposition of lead with various acids, especially dilute nitric acid.

Wincey.—A textile fabric of mixed character, consisting of a cotton warp and worsted weft. The fabric is either plain or twilled. The manufacture is mainly carried on at Perth and Aberdeen, and the article is chiefly used for making gowns.

Wire.—The thin threads or ribbons of different metals, especially copper, brass, steel, and iron. Wire is most extensively used in telegraphy and for the manufacture of wire-ropes and wire netting.

Woad.—A plant which was formerly much cultivated in Great Britain for the sake of the blue dye obtained from it. The commonest species is the *Isatis tinctoria*, found in Lincolnshire.

Wolfram.—(See *Tungsten.*)

Wood.—The principal trees which are cultivated for the supply of timber are noticed under separate headings.

Wood Pulp.—A valuable commercial article used for paper-making. The pulp is obtained from the pine tree, and the main export trade is done by Norway and Sweden.

Wool.—The hairy covering of certain animals, used for the manufacture of various fabrics. Next to cotton it is the most important of all fibres.

Wormwood.—The popular name of a genus of plants of the *Compositae* order, the best known being the *Artemisia absinthium*, which is common in

Great Britain and Northern Europe. It is cultivated on account of its tonic properties, and for the volatile oil obtained from its leaves. It is from a species of wormwood that absinthe is manufactured.

Writing Paper.—(See *Paper.*)

Wurrus —(See *Safflower.*) The glands which cover the fruit of the *Mallotus Philippensis*, a tree found in the East Indies. From the glands a rich orange brown dye is obtained which is much used in India for dyeing silk. It is sometimes known as bastard saffron.

Yak.—A species of ox domesticated in Tibet. It is covered with long silky hair which is used for spinning into ropes and for making coverings for tents.

Yarn.—The name given to any textile fabric prepared for weaving into cloth. Yarn is produced entirely by machinery, and the perfection of spinning in Great Britain has led to its manufacture on a gigantic scale, not only for home consumption but also for export. The sizes of yarns vary considerably.

Yeast.—The vegetable growth to which fermentation is due, and of great value in brewing, baking, etc. The yeast obtained from the froth of fermenting malt liquors or beer mash is known as barm.

Yellow Berries.—The unripe fruit of the *Rhamnus in ectorius*, a tree of Asia Minor. The berries are shipped exclusively from Smyrna, and are sometimes sold under the name of French and Persian berries. A yellow dye is obtained from them, and this is used in the manufacture of morocco leather.

Yellow Metal.—An alloy of copper and zinc. It is much used for sheathing ships' bottoms, as the compound is cheaper than copper.

Yellow Ochre.—(See *Ochre.*)

Zaffre.—(See *Cobalt.*)

Zebra Wood.—The timber of the *Omphalobium lambestii*, a native of Brazil. The wood is light brown in colour with dark stripes, and very scarce. It is occasionally met with in commerce, its use being confined to the manufacture of furniture.

Zedoary.—The root of certain species of *Curcuma*, found in India, China, and the East Indies. The best is obtained from Ceylon.

Zinc.—One of the most important of metals, hard and malleable. Its colour is bluish-white. Zinc is never found pure in nature, but its ores, blende, calamine, and zincite, are fairly plentiful. The main source of the metal is the first named of these ores, which is a sulphide of zinc and is obtained in large quantities in Germany.

COMMERCIAL TRAVELLER. (Fr. *Commis voyageur*, Ger. *Handelsreisender*, Sp. *Viajante de comercio*, It. *Commesso viaggiatore.*)

This term is applied to an employee who visits different places for the purpose of showing and selling goods for his principal. The nature of this agency and all other matters connected with his employment are dependent upon the special terms of his agreement with his principal. (See *Traveller.*)

COMMERCIAL TREATIES. (Fr. *Traités de commerce*, Ger. *Handelsverträge*, Sp. *Tratados de comercio*, It. *Trattati commerciali.*)

These are agreements between different countries for the regulation of their mutual trade. In countries which adopt protective principles, the tendency will be for the governments to admit freely those articles which are required for their use and manufactures, but to exclude as far as possible those which compete with their own productions. It is with a view of regulating particular tariffs in the interests of all parties that commercial treaties are framed, by which importations are permitted on more favourable terms by one of the contracting parties to the other party to the treaty than to the world in general. England having adopted a free trade policy has to offer other inducements than a lowering of tariffs in return for tariff concessions from other countries.

In consequence of the Conference of Paris, held in the early part of 1916, great changes will be effected in the future in the making of commercial treaties.

COMMISSION. (Fr. *Commission*, Ger. *Provision*, Sp. *Comisión*, It. *Commissione, provvigione.*)

Commission is the mode of remuneration for services rendered by agents in commercial transactions, generally taking the form of a percentage on the amount of business done.

The payment and the acceptance of commission are quite legitimate, so long as the whole matter is open and above board, but if any undue advantage is secured by means of a commission being obtained in an unfair manner, a person aggrieved may have a cause of action and a claim for damages in so far as he has been damnified. In order to check the rapid growth of corruption in

commercial circles, an Act was passed in 1906, the Prevention of Corruption Act, which made it a criminal offence for any person corruptly to pay or to receive any secret commission in connection with any work undertaken by him. The practical application of such an Act must always be attended with serious difficulties, but there are indications that this piece of legislation has had some deterrent effect upon what was undoubtedly a great and growing evil.

COMMISSION AGENTS or **COMMISSION MERCHANTS.** (Fr. *Négociants commissionnaires*, Ger. *Kommissionäre*, Sp. *Agentes en comisión*, It. *Commissionari, agenti, rappresentanti.*)

Persons who buy and sell goods, or transact business generally for other persons, and who are rewarded for their trouble by a certain payment, generally calculated at so much per cent. upon the amount of the transaction are known as commission agents or commission merchants.

It is always advisable that the terms of the employment of commission agents should be made as clear as possible, as disputes arise very frequently between principals and agents as to whether the remuneration or commission has in fact been earned. The courts have latterly favoured the agents if they have made it clear that their work has been in any way productive of the successful termination of any transactions in which they have been expressly or impliedly engaged. Generally speaking, they may be said to be entitled to their commission if they have brought together their principals and third persons ready and willing to conclude proposed contracts, even though the contracts are never, in fact, concluded.

Difficult questions arise when two or more agents are employed to carry on the same work, e.g., house agents employed to sell a house. The facts of each particular case are the only guide to the settlement of such adverse claims, and the decisions in the courts are somewhat conflicting.

A few examples from many reported cases may be given. In *Burton* v. *Hughes*, 1 *Times* L.R. 207, a house was placed by A. in B.'s hands for sale at £16,000. B. gave C. an order to view the house. The house was viewed, but C. at first gave up the idea of purchasing it. Subsequently, after an abortive attempt to sell the house by auction, C. bought it for £11,000. It was held that B. was entitled to his commission. In *Taplin* v. *Barnett*, 6 *Times* L.R. 30, A was commissioned to sell a house. After three months it was put up to auction by another agent, and then bought by B. B. had already been introduced by A., but it was decided that A had no claim for commission, since it was not by his intervention that the sale had really been effected. In *Green* v. *Bartlett*, 14 C.B., N.S. 681, an auctioneer, A., was employed to sell an estate at 2½ per cent. commission "if the estate should be sold." It was not sold, but at the auction B. asked for the name of A.'s principal. B. afterwards bought the estate privately without any further intervention by A., and A. was successful in his claim for commission. "It has usually been decided that if the relation of buyer and seller is really brought about by the act of the agent, he is entitled to commission, although the actual sale has not been effected by him." Lastly, in *Barnett* v. *Brown*, 6 *Times* L.R. 463, the vendor of the lease of a house employed two agents, A. and B. A. informed C. of the house, and C. viewed it. C. applied to B., and again viewed the house. C. subsequently communicated with both A. and B., but finally continued negotiations and purchased through B. It was decided that B. was entitled to the commission, though it was strongly contended, on behalf of A., that there could only be one introduction. If A. had really brought about the sale, and B. had merely finished the negotiations, then A. would have been entitled. The question between the parties resolved itself into this, whose introduction was the effectual cause of the purchase?

All the ordinary rules as to agency are, of course, applicable to commission agents.

COMMISSIONER. (Fr. *Négociant commissionnaire*, Ger. *Kommissionär*, Sp. *Agente en comisión, negociante en comisión*, It. *Commissionario.*)

A commissioner is a person who is employed for a special purpose, and the name may be used in a very wide sense. In a narrower sense it is applied to a solicitor of at least six years' standing, who has been recommended by one barrister and one solicitor, and who has been appointed by the Master of the Rolls as a fit and proper person to attest affidavits made by parties who come before him. His full title is "commissioner for oaths." (See *Affidavit*, *Solicitor.*) A "perpetual commissioner"

is one who is duly authorised to take acknowledgments of deeds executed by married women.

COMMITTEE. (Fr. *Comité*, Ger. *Komitee, Ausschuss*, Sp. *Comité*, It. *Comitato.*)

A committee is a body of persons, generally limited in number, who are appointed to consider matters and questions which are submitted to them by some larger body. The name "committee"—with the accent on the last syllable—is also given to the person or persons who is or are entrusted with the care of a lunatic's estate.

COMMITTEE OF INSPECTION. (Fr. *Comité d'inspection*, Ger. *Gläubigerausschuss*, Sp. *Comité de inspección*, It. *Comitato d'ispezione.*)

This committee is one that is composed of a number of creditors appointed by the whole body of creditors to watch over the settlement of the affairs of a bankrupt, or of a company which is being wound up, and to supervise the trustee.

Bankruptcy. — The committee consists of not more than five nor less than three persons. They are selected by the creditors by ordinary resolution, and any creditor or the holder of a general proxy or general power of attorney from a creditor may be appointed, provided that the creditor proves his debt before he or his proxy or attorney acts upon the committee. The members of the committee must meet at least once a month, and may act by a majority of the number present at any meeting, if a majority of the whole committee are present. If any vacancies occur the remaining members may still act so long as there are at least two continuing members. Vacancies are to be filled as soon as possible by the election of additional members.

Any member of the committee may resign by giving notice in writing to the trustee, and any member may be removed by ordinary resolution at a meeting of the creditors, convened for the purpose. If a member becomes bankrupt, or compounds or arranges with his creditors, or is absent from five consecutive meetings, his office is vacated.

In some cases the creditors depute to the committee of inspection the task of appointing the trustee, and of fixing his remuneration. The trustee, when appointed, must consult the committee in respect of all important matters in connection with the administration of the estate of the bankrupt. By sections 56–58 of the Bankruptcy Act, 1914, the trustee can do the following things only with the permission of the committee of inspection :—

(1) Carry on the business of the bankrupt, so far as may be necessary for the beneficial winding-up of the same.

(2) Bring, institute, or defend any action or other legal proceeding relating to the property of the bankrupt.

(3) Employ a solicitor or other agent to take any proceedings, or do any business which may be sanctioned by the committee of inspection.

(4) Accept as the consideration for the sale of any property of the bankrupt a sum of money payable at a future time subject to such stipulations as to security and otherwise as the committee think fit.

(5) Mortgage or pledge any part of the property of the bankrupt for the purpose of raising money for the payment of his debts.

(6) Refer any dispute to arbitration, compromise all debts, claims, and liabilities, whether present or future, certain or contingent, liquidated or unliquidated, subsisting or supposed to subsist between the bankrupt and any person who may have incurred any liability to the bankrupt, on the receipt of such sums, payable at such times, and generally on such terms as may be agreed on.

(7) Make such compromise or other arrangement as may be thought expedient with creditors, or persons claiming to be creditors, in respect of any debts provable under the bankruptcy.

(8) Make such compromise or other arrangement as may be thought expedient with respect to any claim arising out of or incidental to the property of the bankrupt, made or capable of being made on the trustee by any person or by the trustee on any person.

(9) Divide in its existing form amongst the creditors, according to its estimated value, any property which, from its peculiar nature or other special circumstances, cannot be readily or advantageously sold.

(10) Appoint the bankrupt himself to superintend the management of the property of the bankrupt or of any part thereof, or to carry on the trade (if any) of the bankrupt for the benefit of his creditors, and in any other respect to aid in administering the property in such manner and on such terms as the trustee may direct.

(11) Make such allowance as may be

thought fit to the bankrupt out of his property for the support of the bankrupt and his family, or in consideration of his services if he is engaged in winding up his estate. Any such allowance may be reduced by the court. The allowance must, under Rule 370 of the Bankruptcy Rules, 1915, be in money, unless the creditors by special resolution determine otherwise, and the amount must be duly entered in the accounts of the trustee.

The permission given must not be a general permission to do all or any of the above-mentioned things, but only a permission to do the particular thing or things for which permission is sought in the specified case or cases.

The books kept by the trustee must be regularly audited by the committee. As the members stand in a fiduciary capacity towards the general body of creditors, no profit must be made by any one of them out of the administration of the estate, either directly or indirectly.

If there is no committee of inspection the powers authorised by the Bankruptcy Act, 1914, may be exercised by the Board of Trade, who may in turn delegate them to the Official Receiver.

There is no committee of inspection in the case of small bankruptcies.

Company Winding-up.—When an order has been made for the winding-up of a company, and a liquidator has been appointed, a committee of inspection is appointed to control the actions of the liquidator almost in the same manner as a trustee in bankruptcy is controlled. The persons who are eligible for election are

(*a*) Creditors of the company;

(*b*) Contributories of the company;

(*c*) Persons holding general powers of attorney from creditors or contributories.

The proportion in which the above are to be elected is agreed on at meetings of the creditors and contributories. In case of difference the court must determine what the proportion shall be.

The liquidator can only exercise the following powers with the sanction of the committee of inspection, or of the court :—

(1) Bring or defend legal proceedings in the name and on behalf of the company.

(2) Carry on the business of the company so far as may be necessary for the beneficial winding-up of the same.

(3) Pay any class of creditors in full.

(4) Make a compromise or arrangement with creditors or persons claiming to be creditors.

(5) Compromise calls.

(6) Compromise debts.

(7) Compromise questions in any way relating to or affecting the assets of the company.

(8) Employ a solicitor or agent.

The members of the committee are removable in the same manner as in bankruptcy, and are bound to exercise their powers with a proper appreciation of the fiduciary capacity in which they stand towards the company.

When there is no committee of inspection its functions devolve upon the Board of Trade.

COMMODITIES. (Fr. *Marchandises*, Ger. *Waren*, Sp. *Mercancías*, It. *Merci*, *mercanzie.*)

These are the movable articles of commerce, objects of any kind which can be bought or sold.

COMMON SEAL. (See *Seal.*)

COMPANIES.—(Fr. *Compagnies*, Ger. *Gesellschaften*, Sp. *Compañías*, It. *Compagnie.*)

This is the general name given to associations of individuals combined together for the purpose of carrying on trade or business.

COMPANIES, LIMITED LIABILITY. (Fr. *Sociétés en commandite.* Ger. *Gesellschaften mit beschränkter Haftung.* Sp. *Sociedades anónimas*, It. *Società o compagnie anonime in accomandita.*)

These are associations of persons formed for the purpose of carrying on trade or business, in which the liability of such persons is limited by guarantee or shares. They have been governed since 1862 by a large number of Acts passed between that date and 1907; but now the whole of the law has been drawn together in the Companies (Consolidation) Act, 1908, which repealed and re-enacted, with certain amendments, most of the provisions of the former Acts. There is, moreover, a small amending Act, dealing entirely with private companies, according to the statutory definition of the same, which was passed in 1913.

Two Acts affecting companies were passed in 1917, mainly owing to the conditions of the Great War. They are probably of a temporary character.

A joint-stock company has been defined as "an association of individuals for purposes of profit, possessing a common capital contributed by the members composing it, such capital

being commonly divided into shares, of which each possesses one or more, and which are transferable by the owner."

It must be clearly understood that the individuality of the members is entirely lost in the personality of the company. Unlike a partnership, the creditors can only proceed against the property of the company in case of necessity, and ordinarily there is no remedy beyond the amount of the fixed capital of the company.

A company may be composed of members who are all of foreign nationality; but if the association is established according to English law, the foreign character of the shareholders, directors, and other officials does not make it anything but English. This point has been brought into great prominence during the war between England and Germany, and legislation on the subject may be expected at an early date.

Kinds of Companies.—There are three kinds of companies.

(*a*) Unlimited companies. In companies of this class every shareholder is liable for the debts of the company an ordinary partnership. But they possess these advantages—the liability of each member ceases at the end of a year from the time he ceased to be a member, and the shares are transferable. Such companies are now extremely rare, and for several years past not one has been registered.

(*b*) Companies limited by guarantee. There are very few of this class in existence. The memorandum of such a company contains a declaration to the effect that each member of the association will contribute an amount, not exceeding a fixed sum, to meet its liabilities so long as he remains a member, and for twelve months afterwards.

(*c*) Companies limited by shares. Here the liability of each member is limited to the nominal amount of the shares which he holds. If the capital is once fully paid up, there is no further pecuniary liability resting upon any one.

The third class is the most common and most important kind of company. In addition to what is contained in the present section, there are special rules applicable to certain companies, such as banking companies, insurance companies, and companies formed for the purposes of charity, etc. This third class is still further sub-divided into public and private companies.

Number of Persons required.—The least number of persons that can combine to form a public joint-stock company, is seven. Though there is no maximum, except that the number of shareholders cannot exceed the number of the shares, there must never be less than seven, for where the business of a company is carried on for six months after the number of its members has been reduced below seven, every member cognisant of the fact is personally liable for payment of the whole of the debts of the company contracted after such period.

In recent years companies have come into existence which have been known as "one-man" companies. The name is generally applied to associations in which almost the whole of the shares are held by one person, the remainder being allotted to six or more other persons who are required to make up the necessary number of members. This is very frequently the case where a successful business is converted into what has heretofore been known as a "private" company, that is, one in which the shares are not offered to the public for subscription, but are carefully reserved to the relatives and friends of the former partners in the business. Thus the advantages of incorporation are gained, of which the principal is limited liability. There are also other advantages, of which the chief are the continuance of the business after the death of any of the parties interested, the power, at any time, of transferring the shares so as to introduce fresh members, and the increased facility of borrowing money.

There has now arisen a new statutory "private" company. It is defined as one which, by its articles, (*a*) restricts the right to transfer its shares, (*b*) limits the number of its members (exclusive of persons who are in the employment of the company) to fifty, and (*c*) prohibits any invitation to the public to subscribe for any shares or debentures of the company. By the Companies Act, 1913, this sub-section (*b*) now reads "limits the number of its members (exclusive of persons who are in the employment of the company and of persons who having been formerly in the employment of the company, were while in such employment and have continued after the determination of such employment to be members of the company) to fifty." Such a company may be registered with only two members, and it is exempt from many of the requirements imposed upon a

public company. It will be noticed that a "one-man" company need not necessarily be a "private" company within the meaning of this definition. A private company may, by taking certain prescribed steps, convert itself into a public company.

The whole of the obligations imposed by statute upon a public joint-stock company do not apply in the case of a private company. The most important of the exemptions are (a) the presentation of an annual summary of its financial position, (b) the restrictions as to the appointment of directors, (c) the filing of a statement in lieu of a prospectus, (d) the restrictions as to the allotment of shares, and (e) the necessity of obtaining a minimum subscription before commencing business.

The Promoter.—"The term promoter," said the late Lord Justice Bowen, "is a term not of law, but of business, usefully summing up in a single word a number of business operations familiar to the commercial world by which a company is generally brought into existence." Whether a man is or is not a promoter will depend upon his acts.

As a promoter stands in a fiduciary relationship towards the company which he is promoting, he must not use his position for the purpose of making any secret profit at the expense of the company. His position is very similar to that of an agent.

The promoter is personally liable for any acts done before the company is registered, since it is impossible for a person to contract on behalf of a non-existent person, and a company cannot subsequently ratify what has been done. (See *Promoter.*)

Memorandum of Association.—When the necessary number of persons has been obtained the memorandum of association is prepared. In it the following matters must be clearly set forth :—

(1) The name of the company. Any name may be chosen, provided it does not so closely resemble that of an existing company as to be likely to deceive. The last word of the name must be "limited"—unless the company is an unlimited one—though the Board of Trade may, if they think proper, dispense with this addition if the company is not one formed for the purposes of pecuniary gain and profit. Only a limited company may use the word "limited." It is an offence punishable by fine for an unincorporated association to do so. The prefix "Royal" may not be used without the licence of the Home Secretary. By special resolution, and with the sanction of the Board of Trade, the name of the company may be changed.

(2) The part of the United Kingdom where the registered office of the company is to be situated, *i.e.*, England (which includes Wales), Scotland, or Ireland.

(3) The objects of the company. The greatest care is required in setting these forth with accuracy. A company only exists for the purposes which are stated in its memorandum, and any act done outside these powers is *ultra vires*, and therefore null and void. As a natural consequence a memorandum will often specify trades and businesses which have apparently only the remotest connection with the main business of the company. When a memorandum is so drawn as to contain multifarious powers of this kind, it is possible for the company to extend its operations at any time without applying to the court for leave to do so. Until 1890 no company could extend its business without first being wound up and reconstructed. Now, by special resolution and by the leave of the court, a change can generally be effected, if it is shown that the alteration is for the benefit of the company, and that the interests of all the existing members and creditors are properly safeguarded. A carefully-drawn memorandum will avoid the necessity for this procedure and its accompanying expense.

(4) A declaration to the effect that the liability of the members is limited.

(5) The amount of the nominal capital of the company, the number of shares into which the capital is divided, and the amount of each share.

The memorandum concludes as follows: "We, the several persons whose names and addresses are subscribed, are desirous of being formed into a company, in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names."

The names, addresses, and descriptions of the seven (or two if the company is a private one) subscribing persons are annexed, each of them subscribing for one share at least.

It is necessary that each subscriber should make the entry with his own

hand, and the entry must be attested. It is the common practice for each to write that he takes one share. Any person may be a subscriber: for example, a bankrupt, a married woman, an alien, or an infant. It is not advisable, however, to have an infant subscriber.

Articles of Association.—In addition to the memorandum there are usually articles of association. These are signed by the subscribers to the memorandum, and consist of regulations for the management of the internal affairs of the company. They are binding upon the company and upon each member of the same as if each had signed and sealed them. The articles may be altered from time to time in any respect by special resolution of the members of the company. An exception to this rule was made by the Companies (Foreign Interests) Act, 1917. By this Act changes affecting foreign interests can only be made with the consent of the Board of Trade.

The legislature has supplied a specimen set of articles of association. These are known as Table A, and are set out in the first schedule of the Companies (Consolidation) Act, 1908.

Registration. — When the memorandum of association has been signed it must be stamped. In addition to the ordinary deed stamp of 10*s.*—which is required by both the memorandum and the articles—registration stamps are necessary according to the following scale :—

	£	*s.*	*d.*
Where the nominal capital does not exceed £2,000 . .	2	0	0
Where the nominal capital exceeds £2,000, the above fee of £2, with the following additional fees, regulated according to the amount of the nominal capital (that is to say):—			
For every £1,000 of nominal capital, or part of £1,000, after the first £2,000, up to £5,000	1	0	0
For every £1,000 of nominal capital, or part of £1,000, after the first £5,000, up to £100,000	0	5	0
For every £1,000 of nominal capital, or part of £1,000, after the first £100,000 . .	0	1	0
For registering any document required or authorised to be registered, other than the memorandum of association	0	5	0
For making a record of any fact authorised or required to be recorded	0	5	0

In addition to the fixed stamp duties, there is an *ad valorem* duty of 5*s.* per cent. imposed on the nominal capital of the company by the Finance Act, 1899, and there are certain fees to be paid upon the filing of certain necessary documents.

The memorandum and articles are left at the office of the Registrar of Joint-Stock Companies. They must be accompanied by a list of persons who have consented to become directors of the proposed company, and a statutory declaration that the requirements of the Companies Acts as to registration and all matters precedent and incidental thereto have been complied with. Thereupon a certificate of incorporation is issued by the Registrar of Companies. This certificate is conclusive evidence that everything is in order. The members then become a corporation, and the incorporation takes effect from the date of the certificate. If it is a private company it is at liberty to commence business at once, but a public company cannot as yet proceed further than the issue of a prospectus inviting the public to apply for its shares.

The Prospectus.—The term "prospectus" is applied to the document put forward by the persons interested in the company, to induce other persons to take shares, or otherwise assist the company with money. It is defined as "any notice, circular, advertisement, or other invitation offering to the public for subscription or purchase any shares or debentures of a company."

It is generally issued at the time of or immediately after the registration of the company. It must be dated, and the date named will be deemed the date of its publication. A copy must be signed by every person named in it as a director or proposed director (or his authorised agent), and filed with the Registrar at or before the date of publication.

The preparation of the prospectus has always been a most difficult task. Its object is to induce the public to come in and take shares, and for that purpose the prospects of the company have always been painted in the rosiest fashion. This has led to the grossest frauds, and up to 1890 it was very difficult for the parties defrauded to obtain any redress. A vast change has, however, been accomplished since the passing of the Directors Liability Act, 1890, and also by subsequent statutes, the whole of which are now collected and enacted by the Companies (Consolidated)

Act, 1908. The requirements of the document are set out in the article *Prospectus*. Nothing can now be omitted which would affect the mind of a reasonable person who was a party to a private transaction. All the financial arrangements must be stated, the names and addresses of the directors, and particulars of every material contract which has been entered into.

If a prospectus is issued containing fraudulent misrepresentations, a person who has been induced to take shares in the company through such false misrepresentation will be entitled to have his name removed from the list of shareholders, or he may sue the persons responsible for the issue of the prospectus for damages sustained through such misrepresentation. (See *Director*, *Prospectus*.)

Underwriting.—This is a contract entered into by a person to take up shares offered to the public if the latter do not apply for them within a certain time. The object of underwriting is to insure the successful floating of the company. The contract is generally made with the promoter of the company, the consideration being a payment in cash or otherwise, but there cannot be a payment in shares. Although formerly held to be illegal, as amounting to the issue of shares at a discount, an underwriting commission is now perfectly regular, if allowed by the articles of association and expressly stated in the prospectus of the company.

Directors.—As the shareholders of a company often amount to a large number of persons, it would be impossible for each one to be consulted with respect to every transaction of the company. The management must be in the hands of a few, selected by the shareholders, who are called the directors of the company. The number, powers, and method of election of the directors are provided for by the articles of association. If no directors are named therein, the subscribers of the memorandum of association are the directors until others are appointed.

No one can be appointed as a director unless, before the registration of the articles or the publication of the prospectus, he has

(*a*) Filed with the Registrar a signed consent to act as a director, and

(*b*) Either signed the memorandum of association for, or filed with the Registrar a signed contract to take from the company, and pay for, the shares which are necessary to qualify him for the position of a director.

If a director does not acquire his qualification within two months after his appointment, or subsequently ceases to hold his qualification, he must resign his position. If he continues to act as director, he is liable to a fine of £5 a day from the date of his ceasing to hold his qualification.

The duties and the authority of the directors are limited by the memorandum and the articles. An act done in excess of their powers is *ultra vires*, and the act itself cannot be ratified if it is also *ultra vires* the company. As the directors are in the position of trustees and agents for the company, they must not make use of their powers to obtain advantages for themselves. They must make no secret profits. Neither must they delegate their powers, unless they are authorised to do so by the articles of association.

Auditors.—It is also essential that auditors should be appointed. As to their position and duties, see the separate article, *Auditor*.

Allotment of Shares.—Hitherto in the allotment of shares nothing has been required beyond the elements which go to the formation of a simple contract—application, acceptance, and communication of the acceptance to the applicant within a reasonable time. The result has been that many companies have gone to allotment when the applications for shares have been such as altogether to exclude the possibility of the company being able to conduct any business at all.

It is with respect to the allotment of shares that the Act of 1900 first conferred so great a benefit upon the public. It was then enacted that no allotment should be made of the share capital of a company offered to the public for subscription by a prospectus unless

(*a*) A minimum subscription fixed by the memorandum or articles and named in the prospectus as that upon which the directors may proceed to allotment has been subscribed, and the sum payable on application has been paid to and received by the company, or

(*b*) The whole amount of the share capital has been subscribed and the application money paid.

Further changes were made by the Companies Act, 1907 (afterwards repealed and re-enacted by the Act of 1908), and the present statutory provisions are now contained in the article *Allotment*.

Register of Members.—Every company is bound to keep a register or list of its members for the time being, and of the shares which they respectively hold. The register must be open to inspection during business hours, gratis to shareholders, and on payment of a sum not exceeding one shilling to other people. The register may be closed for any period not exceeding thirty days in each year. Also every company which has its capital divided into shares must annually forward a list of its members to the Registrar of Companies.

In addition to the list of members, it is now necessary to forward a summary as to the financial and general position of the company. The exact requirements as to the contents of the summary are contained in sect. 26 of the Companies (Consolidation) Act, 1908.

No notice of any trust is to be entered upon the register. In cases of improper entry or omission of names from the register, the injured party may apply to the court for a rectification of the same, by striking out or placing therein the name of the member who has complained of the improper entry or omission.

Capital.—This is the sum subscribed by the shareholders for the purpose of being applied to the establishment or extension of the company's business. The proposed sum named in the memorandum of association of the company is the "nominal" capital. When the whole of the capital is not taken up, that which is represented by the number of shares held by the members is its "subscribed" or "issued" capital. That portion of the issued capital which is actually paid by the members of the company is the "paid-up" capital, the remaining portion, for which the shareholders are liable, being known as the "unpaid," or "uncalled" capital.

A company may increase or reduce the amount of its nominal capital, but no reduction can take place without the sanction of the court.

Common Seal.—Every company must possess a common seal, and the name of the company must be engraved upon it in legible characters. It must be used for the authentication of all important documents.

Also it must be borne in mind that the name of every limited company must be legibly printed or affixed to the outside of every office or place of business where the company conducts its business, and that the name must be mentioned in all notices, advertisements, official publications, bills of exchange, orders for goods, receipts, etc., connected with its undertakings. Non-compliance with these provisions renders the company or its officials liable to varying penalties.

Share Certificates.—A person who applies for shares in a limited company becomes liable to pay for the same as soon as the allotment has been communicated to him. Until the passing of the Companies Act, 1907, there was nothing to compel a company to issue a certificate signifying that the holder was a shareholder. But now, by section 92 of the Companies (Consolidation) Act, 1908, which has replaced the corresponding provision of the Act of 1907, it is enacted,

"(1) Every company shall, within two months after the allotment of any of its shares, debentures, or debenture stock, and within two months after the registration of the transfer of any such shares, debentures, or debenture stock, complete and have ready for delivery the certificates of all shares, the debentures, and the certificates of all debenture stock allotted or transferred, unless the conditions of issue of the shares, debentures, or debenture stock otherwise provide.

"(2) If default is made in complying with the requirements of this section, the company, and every director, manager, secretary, and other officer of the company who is knowingly a party to the default, shall be liable to a fine not exceeding five pounds for every day during which the default continues."

The certificate is impressed with the seal of the company. When a purchase of shares has been made upon the faith of a duly issued certificate, the company will be estopped from denying that the person named in the certificate is entitled to the shares. Claims may also arise against the company in the case of forged transfers. (See *Forgery.*)

Transfer of Shares.—Unless there is a special restriction or limitation by the articles of association, the holder of shares in a company, whether the same were originally allotted to him or whether he has acquired them from a previous holder, is entitled to transfer them to whomsoever he pleases. The transfer is effected either by deed or by an instrument in writing, signed by the transferor and the transferee. The transfer, sometimes accompanied by the certificate, is sent to the company

for registration, and the name of the transferee is entered in the books of the company as the holder of the shares. The transferee then becomes a member of the company. On the death of a shareholder the right in his shares passes to his personal representative—executor or administrator—and in bankruptcy the trustee steps into the place of the bankrupt. The personal representative, or the trustee, may be registered as a member, or may transfer the shares which have fallen to him to another person without being registered.

Share certificates are sometimes deposited as a security for a loan, together with a blank transfer, that is, a transfer executed by the borrower only, the name of the transferee not being stated. This gives to the lender an implied authority to fill in the name of the purchaser of the shares if the borrower fails to repay the money. But this mode of transfer is only effectual where the articles of the company permit of the transfer of shares by an instrument in writing simply. If the transfer must, under the articles, be by deed, a blank transfer will be of no value, since the instrument itself is not a deed, being defective in the fact that one of the essentials of a deed, viz., the name of the transferee, is not inserted at the time of its execution.

Since shares are not "goods, wares, or merchandise," a contract for their sale does not fall within section 17 of the Statute of Frauds—now repealed and re-enacted by section 4 of the Sale of Goods Act, 1893. Therefore, the contract need not be evidenced by writing. If the contract is not to be performed within a year the case is different. By an Act known as Leeman's Act, passed in 1867, a sale of shares in a joint-stock banking company is void, unless the contract sets out in writing the numbers of the shares as stated in the register of the company. It has been the custom of the London Stock Exchange to disregard the provisions of this Act, but such a custom cannot be upheld.

Liability of Shareholders.—While the shareholder has the same right to participate in the profits of a business that is enjoyed by a partner, unless there is some agreement to the contrary, proportionately to the amount of capital he has invested, and to take such part in the affairs of the company as is allowed by the articles of association, his liability is limited to the amount unpaid on the shares held by him. If he has paid up the whole nominal amount of his shares, he is absolutely free from any further liability. If he has paid only a certain proportion of the nominal value, he is responsible for the portion which remains unpaid. Should the remaining portion, or any part of it, be required, a demand is made upon the shareholder by means of a "call."

Sometimes a person who has paid but a fractional part of his shares will be able to escape liability altogether for the remaining part by transferring his shares to a third party more than a year before the call is made. And the liability within the year, under such circumstances, only arises if the transferee is unable to satisfy the call when it is made, and the other existing shareholders fail to discharge in full the liabilities of the company; and even then the liability only exists in respect of debts contracted before the transfer was made.

But there is this qualification. It is a very common thing, when a company takes over a going concern, for the vendor to receive a number of paid-up shares as part of the consideration for the sale of the business. Although, therefore, nothing has been paid in cash for such shares, the holder is not liable thereon if the contract to take shares in part payment has been filed with the Registrar of Companies. Any such contract must now be clearly set forth in the prospectus.

Stock and Share Warrants.—When the capital of a company has been fully paid up, its shares are frequently converted into stock. The main difference between shares and stock is this—shares must be transferred whole; stock can be split up into fractional amounts.

A share warrant is an instrument authenticated by the seal of the company, which entitles the holder to the shares or stock mentioned, and admits of transfer by mere delivery.

Preference Shares.—The memorandum of association sometimes provides that certain holders of the shares of the company shall be entitled to a portion of the profits of the business before any payment is made to the holders of other shares. Shares to which a priority of enjoyment of profits is given are called "preference shares," to distinguish them from those which are called "ordinary shares." Various classes of

preference shares are created, their rank being settled according to circumstances and the date of their creation. Railway companies—though these are companies formed under special Acts, and not under the Companies Acts—offer good examples of the creation of numerous classes of preference shares. The priority may have reference to the profits of each year separately, or the preference may be "cumulative," that is, a deficiency which occurs in any one year must be made up in any succeeding year before any payment whatever is made to any ordinary shareholder.

Commencement of Business.—Prior to 1901, the possession of the certificate of registration was sufficient to entitle a public company to commence business. Now, by section 87 of the Companies (Consolidation) Act, 1908, the law on the subject is as follows:—

"(1) A company shall not commence any business or exercise any borrowing powers unless—

"(*a*) shares held subject to the payment of the whole amount thereof in cash have been allotted to an amount not less in the whole than the minimum subscription; and

"(*b*) every director of the company has paid to the company on each of the shares taken or contracted to be taken by him and for which he is liable to pay in cash, a proportion equal to the proportion payable on application and allotment on the shares offered for public subscription, or in the case of a company which does not issue a prospectus inviting the public to subscribe for its shares, on the shares payable in cash; and

"(*c*) there has been filed with the Registrar of Companies a statutory declaration by the secretary or one of the directors, in the prescribed form, that the aforesaid conditions have been complied with; and

"(*d*) in the case of a company which does not issue a prospectus inviting the public to subscribe for its shares, there has been filed with the Registrar of Companies a statement in lieu of prospectus.

"(2) The Registrar of Companies shall, on the filing of this statutory declaration, certify that the company is entitled to commence business, and that certificate shall be conclusive evidence that the company is so entitled:

"Provided that in the case of a company which does not issue a prospectus inviting the public to subscribe for its shares, the Registrar shall not give such a certificate unless a statement in lieu of prospectus has been filed with him.

"(3) Any contract made by a company before the date at which it is entitled to commence business shall be provisional only, and shall not be binding on the company until that date, and on that date it shall become binding.

"(4) Nothing in this section shall prevent the simultaneous offer for subscription or allotment of any shares and debentures or the receipt of any money payable on application for debentures.

"(5) If any company commences business or exercises borrowing powers in contravention of this section, every person who is responsible for the contravention shall, without prejudice to any other liability, be liable to a fine not exceeding fifty pounds for every day during which the contravention continues.

"(6) Nothing in this section shall apply to a private company, or to a company registered before the first day of January nineteen hundred and one, or to a company registered before the first day of July nineteen hundred and eight which does not issue a prospectus inviting the public to subscribe for its shares."

Meetings.—The management of the affairs of a company is in the hands of the directors. But since the directors are nominated by the shareholders, and it is necessary that the shareholders should have a knowledge of the general state of affairs, meetings must be held. In the ordinary course there is a meeting held once a year. There are, however, statutory provisions as to the first meeting. Previous to the Act of 1900, the first statutory meeting was to be held within four calendar months of the registration of the company. This meeting was often a sham. Now, however, by section 65 of the Act of 1908, every company which invites the public to subscribe for shares must hold its first meeting "within a period of not less than one month nor more than three months from the date at which the company is entitled to commence business." Before the meeting is held, a "statutory report" must be sent to each member, and in this report full particulars must be set out as to the position of the company, particularly its financial situation. At any time an extraordinary general meeting of the company may be convened on the requisition of the holders of not less than one-tenth of the issued capital of the company, upon which all

calls or other sums then due have been paid.

At general meetings of the company it is usual to decide questions raised by a majority of the members, whether present in person or by proxy. In certain cases, however, in contradistinction to the "ordinary" resolution, that is, a resolution decided by a bare majority, a "special," or an "extraordinary" resolution is required. A "special" resolution is one for which there is a majority of three-fourths of the members, and which is subsequently confirmed by a mere majority. An "extraordinary" resolution is one passed by a three-fourths majority, and which requires no confirmation.

The proceedings of a company at its meetings must be duly recorded in a book kept for the purpose. These are the "minutes." If signed by the chairman of the meeting, they are receivable as evidence in legal proceedings.

Debentures.—The most common way in which a company borrows money for extending its business or for other purposes, apart from increasing its capital, is by the issue of debentures. The debentures usually take the form of a bond or written promise by the company, under its common seal, to repay the amount lent with interest, subject to certain conditions. There are many kinds of debentures, but they are roughly divisible into two classes: (*a*) mortgage debentures, which form a charge upon all or some part of the assets of the company; (*b*) debentures which do not form a charge, but merely amount to a promise to pay a sum of money. The former class is the more common. The property charged as a security for the debenture holders is generally conveyed by way of mortgage to trustees. The deed by which this is done is called a "covering deed."

Without some stipulation to the contrary, a mortgage of this kind would prevent the company from dealing with the property comprised in the deed in the ordinary way of business. To prevent this the common form of debenture gives the lender what is called a "floating charge" over the property of the company. As a result, the company, so long as it is a going concern, can deal with its property without any regard to the charge. But if any embarrassments arise, such as an inability to pay the money lent or the interest, or if proceedings are taken for winding-up the company, or if a receiver is appointed on behalf of the debenture holders, the charge immediately crystallises, and the property comprised in the deed can no longer be dealt with.

The company must keep a register containing particulars of all charges and mortgages affecting its property, and must file such charges and mortgages with the Registrar of Companies. The register is a public one. Any person can inspect it on payment of one shilling. An omission to register the charge within twenty-one days of the making of it renders it void as regards the property comprised in the charge. The omission does not, however, invalidate the covenant to pay the debt.

The subject of debentures is dealt with at length in the article under that title.

Dividends.—Dividends are paid out of the profits made by the company. Neither the articles of association nor the memorandum of association can authorise the payment out of capital except under section 91 of the Act of 1908, e.g., when the undertaking is of a very special character, and the time when money is likely to be earned for the payment of any dividend at all is far distant.

Winding-up.—The existence of a company is terminated by a process called winding-up. The term is generally applied to those proceedings which correspond to the bankruptcy of an individual, but it is not exclusively so. If for any reason the company considers that its business ought to come to an end, even though it is perfectly solvent, or if there is a desire to amalgamate with another company or to re-construct the company itself, the name "winding-up" is applied to the means by which the desired end is to be attained.

There are three kinds of winding-up :—

(1) By the court, which is compulsory.

(2) By the act of the company, which is voluntary.

(3) By the act of the company under the supervision of the court, which is partly voluntary and partly compulsory.

I. *Compulsory Winding-up.* — If the paid-up capital of the company does not exceed £10,000, proceedings for winding-up may be taken in the county court of the district in which the registered office of the company is situated, unless the Lord Chancellor has excluded that court from exercising jurisdiction. This applies to county courts outside London only. The Metropolitan County

Courts have neither bankruptcy nor winding-up jurisdiction.

If the paid-up capital exceeds £10,000, proceedings must be taken in the High Court, unless the registered office is situated within the jurisdiction of the Chancery Courts of the Counties Palatine of Lancaster and Durham.

A company may be wound up by the court

(1) If it passes a special resolution to that effect.

(2) If default is made in filing the statutory report or in holding the statutory meeting.

(3) If it does not commence its business within a year from incorporation, or suspends its business at any time for the space of a year.

(4) If the number of its members is reduced to less than seven, or two in the case of a private company.

(5) If it is unable to pay its debts.

(6) If the court is of opinion that it is just and equitable that it should be wound up.

What is a "just and equitable" cause depends upon the facts of each particular case. It need not necessarily be one of the same nature as the four preceding. It is quite sufficient if the principal object and the substratum of the company have gone.

The most common ground for instituting proceedings to wind-up a company is its inability to pay its debts. Any creditor whose debt amounts to £50 or more may serve a demand upon the company requiring payment of the same. If the company neglects for three weeks to pay, secure, or compound for the amount, it is deemed to be unable to pay its debts. The presumption will exist also if execution is issued against the company, and the execution is returned unsatisfied.

But apart from these presumptions, other evidence may be adduced showing that the financial position of the company is such as to negative any possibility of its paying its debts. A judgment creditor for a sum of less than £50 may present a petition to wind-up the company, but unless there are very special circumstances existing the court will generally refuse to make an order in such a case.

The proceedings for winding-up are commenced by a petition, and, if an order is obtained, the business of the company is put an end to except for the purposes of the winding-up. The management of its affairs passes into the hands of the liquidator (*q.v.*), an officer appointed by the court. Until he is appointed, the Official Receiver in bankruptcy is, by virtue of his office, the provisional liquidator. To assist the liquidator in his work, and in certain cases to control him, a "committee of inspection" (*q.v.*) is often appointed.

The duty of the liquidator is to report upon the whole affairs of the company, to collect the debts due to it, to dispose of its property, and generally to do all such things as are necessary to end its existence in a fair and equitable manner. If the shares of the company are not fully paid up, and the assets are insufficient to meet all liabilities, the liquidator must call upon each shareholder to contribute rateably whatever is necessary, limited, of course, to the amount unpaid upon each of the shares which he holds. It has already been stated that a person who has ceased to be a shareholder within a year of the winding-up may sometimes be called upon to contribute towards the liabilities of the company. Such a shareholder is placed upon what is known as the "B" list of contributories; the other list, called the "A" list, being composed of the names of those who are members of the company at the time of the commencement of the winding-up. (See *Contributories.*)

When the liquidator has collected the whole of the available funds, and has paid the costs incidental to the winding-up proceedings, he must proceed to distribute the residue, if any, thus :—

First, the rates and taxes due and payable within the twelve months prior to the commencement of the winding-up must be paid. Next, the wages and salaries of clerks and workmen employed by the company, limited, in the case of a clerk, to services rendered during the preceding four months and not exceeding £50, and in the case of a workman to two months and £25, are preferred to all other claims (but with special terms applied in the case of an agricultural labourer), and any sum not exceeding £100 in respect of claims under the Workmen's Compensation Act, 1906. Provision must also be made for claims under the National Insurance Act, 1911. After these preferential payments have been made, the ordinary creditors of the company are next in order, and their debts are paid proportionately to their claims if the assets are insufficient to meet the whole. Debenture holders and mortgagees occupy

a more favourable position. They are secured creditors, that is, they have a certain portion of the property of the company set aside for the purpose of meeting their debts, and with this property the ordinary creditors and the liquidator cannot interfere. They can realise their security without considering the liquidator. If the property secured is insufficient to meet their demands, they can realise their security and then prove as ordinary creditors for the balance of their debts. If, on the contrary, it realises more than the amount of the debts, with interest and costs, the balance must be handed over to the liquidator. It is now provided by statute that the payments of rates, taxes, wages, and compensation have precedence over debentures.

When all the affairs of the company have been arranged, and the liquidator has made his report to the Board of Trade and been released, an order is made by which the company is dissolved.

II. *Voluntary Winding-up.*—The proceedings in a voluntary winding-up are similar to those in a compulsory one, except that the liquidator is appointed by the company, and the court does not, of its own motion, interfere with any of the acts that are done. A voluntary winding-up may generally be resolved upon by a company for some other cause than inability to pay its debts.

III. *Winding-up under Supervicion.*—When a voluntary winding-up has commenced, the court may, on just cause shown, intervene and control to a certain extent the acts of the liquidator. But unless a strong case is made out it will generally decline to interfere; and if it does so it will only place certain restrictions upon the voluntary liquidator, leaving the general proceedings, as far as possible, the same as in a voluntary liquidation.

In the second and third cases the liquidator is required to make a return of the final meeting of the company to the Registrar of Companies, and the company will be dissolved three months after the date of such return.

COMPANY PROMOTER. (See *Promoter.*)

COMPENSATING ERRORS. (Fr. *Erreurs qui dédommagent*, Ger. *Gegenfehler*, Sp. *Errores en compensación*, It. *Sbagli compensativi.*)

These are errors in book-keeping which are equalised by other errors in the opposite direction, thus not interfering with the agreement of the total balance.

COMPOSITION. (Fr. *Arrangement*, Ger *Akkord, Vergleich*, Sp. *Acuerdo, arreglo*, It. *Accordo, transazione, concordato.*)

This is a payment of so much in the £ by a bankrupt or an insolvent, instead of the full amount owing.

COMPOUND INTEREST. (Fr. *Intérêt composé*, Ger. *Zinseszins*, Sp. *Interés compuesto*, It. *Interesse composto.*)

When money is borrowed at compound interest, it means that the interest as it becomes due is not paid to the lender, but that it is added to, and becomes part of the principal. It is called "compound" because each of the successive additions bear interest upon interest.

COMPOUND OPTIONS. (Fr. *Doubles options, primes*, Ger. *doppeltes Prämiengeschaft*, Sp. *Primas dobles*, It. *Opzioni composte, doppie.*)

(See *Options.*)

COMPOUNDING WITH CREDITORS. (Fr. *S'arranger avec les créanciers*, Ger. *sich mit seinen Gläubigern abfinden*, Sp. *Arreglarse con los acreedores*, It. *Accordarsi coi creditori.*)

This is an agreement of creditors to accept a composition of so much in the £ from a bankrupt or insolvent person, and to release the debtor from the balance of the full amount owing.

COMPROMISE. (Fr. *Compromis*, Ger. *Vergleich*, Sp. *Compromiso*, It. *Compromesso.*)

A compromise is the adjustment of differences by mutual concessions.

COMPULSORY WINDING-UP. (See *Companies.*)

COMPUTE A BILL. (Fr. *Calculer*, Ger. *Berechnen*, Sp. *Computar una letra*, It. *Calcolare la scadenza di una cambiale.*)

To compute a bill is to calculate the date upon which it will become due.

CONCESSIONS. (Fr. *Concessions*, Ger. *Konzessionen*, Sp. *Concesiones*, It. *Concessioni.*)

These are grants of certain privileges made by foreign states or governments to promoters of railways, mining companies, etc. The parties obtaining such concessions are called "concessionaires."

CONDITIONS OF SALE. (Fr. *Conditions de vente*, Ger. *Verkaufsbedingungen*, Sp. *Términos de venta*, It. *Condizioni di vendita.*)

When a sale by auction is contemplated, the conditions under which the sale is to take place are invariably set out in a document which is called the conditions of sale. It is the general practice for the conditions to be printed on the catalogue advertising the sale.

CONFIRMATION NOTE. (Fr. *Note de*

confirmation, Ger. *Empfangsbestätigung*, Sp. *Nota de confirmación*, It. *Bolletta di conferma*.)

This is a slip, either attached to or sent with an order or contract, so that the receiver may sign the slip as an acknowledgment that he has received and confirms the contract.

CONFLICT OF LAWS. (Fr. *Conflit de lois, droit international*, Ger. *das Völkerrecht*, Sp. *Conflicto de leyes, derecho internacional*, It. *Conflitto delle leggi, legge internazionale*.)

This is the name applied, mostly by American writers, to what is often known as Private International Law. It is concerned with the rights and obligations of private individuals when they are affected by the law of different countries which have independent jurisdictions. Since the laws of England, Scotland, India, South Africa, and Canada are dissimilar in many respects, questions arising between persons domiciled in different parts of the British Empire have to be decided in exactly the same manner as those arising between an Englishman and a foreigner.

By international comity any valid judgment obtained in one state is enforceable by proper legal process in another. Thus, a Frenchman who obtains a judgment against an Englishman in France will be able to gain satisfaction in England if the defendant is resident here. Similarly a proper English judgment will be enforced in France. Some countries place more or less restrictions upon this rule, and it is only possible to indicate the practice of the English courts in the matter.

The first thing to ascertain is whether the court can exercise jurisdiction. In some cases it is expressly precluded from doing so. No proceedings, for instance, can be instituted against a foreign sovereign, an ambassador, a diplomatic agent, or any person attached to the suite of the ambassador or diplomatic agent, unless the privilege attached to their position is waived; and no action will be entertained if it has reference to the determination of the title to, or the right to the possession of, land situated out of England, or to trespass upon such land. There is, likewise, no jurisdiction to entertain an action for the enforcement of the penal law of a foreign country. Subject to these exceptions, the court will assume jurisdiction as to any property, movable or immovable, situated in England, and also as to the following:—

(1) Actions *in personam*.

(2) Admiralty actions *in rem*.

(3) Divorce jurisdiction, and jurisdiction in relation to the validity of marriages and to legitimacy.

(4) Bankruptcy.

(5) Administration and succession.

An action *in personam*, that is, one against a person with the view to compel him to do a particular thing, such as the payment of damages for a breach of contract or for a tort, may be commenced against a defendant by the service of a writ, if he is in England, in whatever country the cause of action has arisen. It has been said that the courts of England "are more open to admit actions founded upon foreign transactions than those of any other European country." If the writ is served the action may go on. But if the defendant is out of England, the court will assume no jurisdiction at all, unless the case falls under one of the following exceptions:—

(1) Whenever the whole subject matter of the action is land situated in the jurisdiction (with or without rents or profits), or the perpetuation of testimony relating to land within the jurisdiction.

(2) Whenever any act, deed, contract, obligation, or liability affecting land or hereditaments situated within the jurisdiction is sought to be construed, rectified, set aside, or enforced in the action.

(3) Whenever any relief is sought against any person domiciled or ordinarily resident within the jurisdiction.

(4) Whenever the action is for the administration of the personal estate of any deceased person, who at the time of his death was domiciled within the jurisdiction, or for the execution (as to property situated in England) of the trusts of any written instrument, of which the person to be served with a writ is a trustee, which ought to be executed according to the law of England.

(5) Whenever the action is founded on any breach, or alleged breach, in England, of any contract, wherever made, which, according to its terms, ought to be performed in England, unless the defendant is domiciled or ordinarily resident in Scotland or Ireland.

(6) Whenever any injunction is sought as to anything to be done in England, or any nuisance in England is sought to be prevented or removed, whether damages are or are not also sought in respect thereof.

(7) Whenever the defendant who

is out of England is a necessary or proper party to an action properly brought against some other person who has been duly served with a writ in England.

The leave of the court must always be obtained before any writ can be issued against a defendant resident abroad, and when the defendant is neither a British subject nor within the British dominions, notice of the writ, and not the writ itself, must be served upon him. To a certain extent the exercise of its power by the court is discretionary, and any irregularity in the proceedings will render the whole procedure void. It will be seen that no action for a tort can be commenced unless the defendant is within the jurisdiction of the court at the time of the service of the writ.

An admiralty action *in rem* is one that is brought in the Admiralty Division of the High Court against a ship or other *res*, such as cargo or freight, connected with a ship. Its object is to satisfy the claim of a plaintiff against the ship or *res* by transfer, sale, or other mode of dealing. The foundation of the action is the arrest of the ship when it is within English waters, that is, within three miles of the coast of England.

The jurisdiction in matrimonial matters is grounded on domicil, though an exception is made in favour of the residence of one of the parties if the suit is for judicial separation alone, and not for divorce. The same is true of administration and succession. But the English courts will exercise no jurisdiction in cases of this kind, any more than in ordinary actions, if immovable property situated in any country outside England is affected. It can go no further than to decide the title to movable property in particular cases.

If the English courts assume jurisdiction, the rights and liabilities of the parties are subject to certain rules and constructions. All rights in relation to land are, in the main, governed by the law of the country where the land is situated. But the interpretation of a contract with regard to land, and the rights and obligations under it of the parties thereto, may by the agreement of the parties be determined by some other law than that of the country where the land is situated. Again, the will of a British subject may deal with land in the United Kingdom, when it is not made in accordance with English law, the special privilege of making a will in the form of the law in force in the place of residence or domicil being granted to British subjects by an Act of 1861, known as Lord Kingsdown's Act.

With respect to movables, an assignment is valid if the assignor has capacity to assign by his domicil, and the assignment is made in accordance with the law of the place where the movables are situated.

The greatest care is required in the wording of contracts between parties domiciled in different countries, especially when the place of performance of the contract itself is a third country. The rules to be observed by the courts in such a case may be stated shortly as follows :—

(1) No contract is valid in England, though valid in any foreign country, if its enforcement is contrary to an Act of Parliament or opposed to any English law of procedure.

(2) Capacity to contract is governed by the law of the domicil, except in the case of an ordinary mercantile contract, when the law applicable is that of the country where the contract is made, and in a contract concerning land, when the law of the place where the land is situated prevails.

(3) The form to be observed is that of the country where the contract is made.

(4) In the absence of the expressed intention of the parties as to the particular law which shall govern the construction of the contract, the following legal presumptions are applied:—

(*a*) The law of construction is that of the country where the contract is made, especially when the contract is to be performed wholly in the country where it is made.

(*b*) The law of construction is that of the country where it is to be performed, when the contract is made in one country, and is to be performed wholly or in part in another country.

(5) The validity of the discharge of the contract is to be governed by the law of the country which is held to be the proper law for the construction of the same.

Certain particular contracts are to be construed in accordance with well-established rules. The contract of affreightment is governed by the law of the flag, that is, the law of the country to which the ship belongs. That of average adjustment is governed by the

law of the place at which the common voyage terminates, that is

(*a*) When the voyage is completed in due course, by the law of the port of destination.

(*b*) When the voyage is not so completed, by the law of the place where the voyage is broken and the cargo is taken from the ship.

An underwriter is bound by the average adjustment properly taken according to the law of the place of adjustment; but an English insurer of goods on a foreign vessel is not affected by the law of the flag. There are also special rules as to foreign bills of exchange (*q.v.*). A foreign instrument is not a negotiable instrument in England unless it is negotiable both by the law of the country where it is issued, and also by the law of England. Lastly, the contract of agency is governed, in general, by the law of the country where the relationship of principal and agent is established.

CONSIDERATION. (See *Bill of Exchange, Contract.*)

CONSIDERATION-MONEY. (Fr. *Prix*, Ger. *Pramie, Entschädigung*, Sp. *Premio*, It. *Danaro equivalente, premio.*)

On the Stock Exchange, consideration-money is the amount named in a transfer of registered stock as being paid by the buyer to the seller; but the amount often differs from that actually received by the seller owing to a subsequent sale made by the buyer, the Stamp Act requiring in such cases that the consideration-money paid by the sub-purchaser shall be the one inserted in the deed, as regulating the *ad valorem* duty.

CONSIGN. (Fr. *Consigner*, Ger. *Konsignieren, in Konsignation senden*, Sp. *Consignar*, It. *Consegnare, spedire, trasmettere.*)

This is the usual business term used when speaking of the forwarding of goods from one place to another.

CONSIGNEE. (Fr. *Consignataire*, Ger. *Konsignatar*, Sp. *Consignatario*, It. *Destinatario, consegnatario.*)

This is the person to whom goods are consigned or entrusted; the receiver of goods.

CONSIGNMENT. (Fr. *Consignation*, Ger. *Konsignation, Sendung*, Sp. *Consignación*, It. *Consegna, invio, spedizione.*)

This term signifies the sending or the delivering of goods by one person to another, generally in another town or country, for a specific purpose. The sender is called the consignor, and the person receiving the goods is called the consignee, agent, or factor, who occupies a position of trust as far as his dealings with the goods are concerned.

The goods themselves are very frequently referred to as a consignment.

CONSIGNMENT NOTES. (Fr. *Notes de consignation*, Ger. *Konsignationsscheine*, Sp. *Notas de consignación*, It. *Bollette di spedizione, ricevute di spedizione, lettere di porto.*)

These are forms that are to be filled up when goods are sent by rail.

CONSIGNOR. (Fr. *Consignateur*, Ger. *Absender, Konsignant*, Sp. *Consignador*, It. *Consegnante.*)

A consignor is a person who sends goods to another.

CONSOLIDATED ANNUITIES. (Fr. *Rentes consolidées*, Ger. *konsolidierte Annuität*, Sp. *Rentas consolidadas*, It. *Rendite consolidate.*)

This term is applied to the consolidation or amalgamation of various annuities into one common debt. These are called "consols" on the Stock Exchange.

CONSOLS. (Fr. *Consolidés*, Ger. *konsolidierte Staatsrente*, Sp. *Fondos consolidados*, It. *Fondi consolidati.*)

The term "consols" is a contraction of "consolidated funds" and "consolidated stock." Towards the end of the seventeenth and in the early part of the eighteenth century the Government borrowed large sums of money at different times and pledged as security for the repayment of the same the proceeds of the customs, excise, stamps, and other sources of revenue. A certain portion of revenue was allocated to each part of the debt, and the rate of interest paid varied considerably. In 1751 all the various funds of the Government which were income were consolidated, and the various classes of the public debt were treated in the same manner, the rate of interest being also made uniform. The consolidated funds are now pledged as a whole for the payment of the interest on the consolidated stock.

CONSUL. (Fr. *Consul*, Ger. *Konsul*, Sp. *Cónsul*, It. *Console.*)

This is the name given to a public officer appointed by a Government to reside in some foreign country, in order to facilitate and protect the commercial relations between his own country and the country to which he has been sent.

A consul is not, generally, clothed with any diplomatic character, nor is he concerned with public affairs at all. He is appointed by the sovereign of the country for which he acts, and his right

to act in the country to which he is appointed is authorised by a document called an "exequatur," granted by the Foreign Office. A consul may be a native of the country which uses his services, or of the country in which he fulfils his duties, or of any third country, if he is domiciled in the country where he acts. Often he is a person engaged in trade, but some countries forbid their regular consular representatives to engage in mercantile transactions on their own account.

There are various grades of the consular service, and consuls themselves may be divided into consuls-general, consuls, vice-consuls, and consular agents. The rate of remuneration paid will depend upon many circumstances, and in some cases the position is honorary. But whether he is a salaried official or not, a consul is entitled to charge fees in respect of many of the duties of his office, which fees are known as consulage.

For the efficient performance of the work devolving upon him a consul should be able to speak with fluency the language of the country to which he is accredited, and should have a fair knowledge of its laws and customs, especially those which affect the interests of merchants and travellers. In general, it is the duty of a consul to watch over the commercial interests of the state whose servant he is, to see that the conditions of commercial treaties are properly observed, to give his best advice and assistance to the traders and other subjects of the country which he represents, to prevent their infringement of the laws, to reconcile their differences, to uphold their interests, and to render the condition of the subjects of the country employing him, within the limits of his consulship, as comfortable, and their transactions as profitable and secure as possible. In addition, some countries require their consuls to furnish yearly returns of the trade carried on at the various ports of their consulates, and information concerning the local trade and the state of the markets. Such information is valuable, as indicating to merchants and traders at home the chances of disposing of their various goods. A British consul is also a person to whom British seamen and other British subjects in distress may apply for assistance in returning to their own country.

In most civilised states the consul, since he does not enjoy the privileges accorded to ambassadors and diplomatic agents, is under the local law and subject to the local jurisdiction, and his residence is not held to be exempt from the authority of the local functionaries. But as a matter of comity it seems to be a generally recognised right that the official papers of the consulate are not liable to seizure, and that soldiers cannot be quartered in its buildings. For some purposes the consulate is held to be a part of the territory of the country which the consul represents, and certain legal acts done there are as valid as if done in the country itself. Marriages of British subjects, for instance, recorded in the books of the consulate, are perfectly regular since the passing of the Foreign Marriages Act, 1892.

In Mohammedan countries, and in the East generally, consuls are on a very different footing from that which they occupy in other states. This is the result of treaty stipulations. They exercise a certain amount of judicial power, as it is felt that it would not be safe to leave the decisions of disputes, civil or criminal, in which Europeans and Americans are concerned to the local courts. Throughout the Turkish Empire, for instance, England has a network of consular and vice-consular courts culminating in the court of the Consul-General at Constantinople. It is the same in China, Siam, and other parts of the East, and Japan submitted to a similar restriction until 1899. In order to obtain the privileges attached to this peculiar right, foreigners resident in any of the countries which possess these consular courts, must register themselves, and comply with the regulations of the consulate.

England had, on the face of it, a very complete consular service prior to the outbreak of war in 1914, as there were British consuls, vice-consuls, or consular agents at all the chief ports and towns with which this country has commercial relations. The advisability of employing foreigners in these positions has been repeatedly questioned, and it is exceedingly probable that drastic changes will be made in the future. For the furtherance of British trading interests, there are also many commercial agents, specially appointed by the Government, who travel to various trading centres, both abroad and in the British Dependencies, and are available for consultation by business firms in respect of local industries. The experiment of sending

out these agents is a new one, and will no doubt be continued.

CONSULAGE. (Fr. *Droits de consulat*, Ger. *Konsulargebühren*, Sp. *Derechos consulares*, It. *Diritti consolari, tassa consolare.*)

These are the fees paid to a consul for the performance of certain duties.

CONSULAR. (Fr. *Consulaire*, Ger. *konsular*, Sp. *Consular*, It. *Consolare.*)

The adjective corresponding to the word "consul," and signifying everything that pertains to a consul.

CONSULAR FEES. (Fr. *Frais consulaires, droits consulaires*, Ger. *Konsulatsgebuhren*, Sp. *Gastos consulares, derechos consulares*, It. *Diritti consolari, spese consolari.*)

These are the sums paid to a consul in return for services rendered by him in the performance of his functions.

CONSULAR INVOICES. (Fr. *Factures consulaires*, Ger. *Konsulatsfakturen*, Sp. *Facturas consulares*, It. *Fatture consolari.*)

These are invoices which must be made out and declared before the consuls of certain countries to which the goods named in the invoices are being exported. The principal of these countries are the United States, Portugal, Chili, Brazil, and other South American states. The United States do not require a consular invoice if the value of the goods does not exceed £20. The object of the formality is to insure the due observance of the laws of the country to which the goods are being sent, especially as to duties to be imposed. The forms of the invoices vary with the different countries, but all are alike in this respect, that on one side of the invoice there is a full and accurate description of the goods, and on the other side there is a declaration of the truth of the nature, quantity, and quality of the articles which are mentioned in the invoice.

As the particular form of consular invoices varies from time to time, it is only possible to be quite certain as to the formalities required to be observed by making inquiries of the nearest representative of the country to which the goods are being exported.

CONSULATE. (Fr. *Consulat*, Ger. *Konsulat*, Sp. *Consulado*, It. *Consolato, dignità consolare.*)

This is the name given to the office and residence of a consul, though the word is also sometimes used to signify the jurisdiction of a consul.

The consulate is not generally held to be ex-territorial, that is, not a part of the country in which it is actually situated, but for the performance of certain legal formalities it is as though it were so. Thus, marriages duly solemnised and recorded in the books of British consulates are as valid as though the contracts were entered into in England.

Special protection is granted to, and claimed for, consulates in Central and South America. They are places of refuge for foreigners during political disturbances, and are legally inviolable when floating the flags of their own countries.

CONSULSHIP.—(Fr. *Consulat*, Ger. *Konsulat*, Sp. *Consulado*, It. *Consolato, dignità consolare.*)

This is the office or term of office of a consul.

CONTANGO. (Fr. *Report*, Ger. *Report, Kurszuschlag, Kontango*, Sp. *Report*, It. *Riporto.*)

Contango is the Stock Exchange name for the charge made by brokers for carrying over a bargain from one fortnightly account to another instead of settling and closing it. It is possible that when a purchase has been made by a speculator no opportunity presents itself in the course of the fortnightly account of closing the bargain with a profit, though there are chances of profit if the account is kept open for a longer period. The practice is then for a fictitious sale to be effected, at the current market price of the stock bought, the difference between the buying price and the fictitious or carrying over price to be paid by the speculator, and the bargain to be kept open. For this privilege a certain rate of interest is paid for the money employed in the transaction, which will vary with the demands and requirements of the money market. It is the rate of interest thus charged which is the contango. The day for fixing the contango, the second day before settling day, is known as "contango day," or "continuation day."

CONTANGO DAY. (Fr. *Jour de report*, Ger. *Reporttag*, Sp. *Dia de report*, It. *Giorno di riporto.*)

This is the first day of the Stock Exchange settlement, that is, the day on which arrangements are made by stock-brokers and their clients for the carrying over of transactions to the next account. It is sometimes called "making-up day" (*q.v.*).

CONTINGENCIES. (Fr. *Contingences*, Ger. *Möglichkeitsfälle*, Sp. *Contingencias*, It. *Contingenze, eventualità.*)

Circumstances which may possibly arise, but which are not certainties,

are known as contingencies. The corresponding adjective "contingent" is used in the following connections:—

(a) Contingent account—a provision made in some businesses to meet unforeseen or uncertain liabilities. It is in reality a reserve.

(b) Contingent liability—a liability which can only exist definitely upon the happening of some uncertain event. For example, the liability of an indorser upon a bill of exchange.

(c) Contingent remainder—a remainder, or chance of succession to the possession of certain property, depending upon events or conditions which may never happen or be performed.

CONTRA. (Fr. *Conre*, Ger. *dagegen, contre*, Sp. *Contra*, It. *Contro*.)

This is a Latin word, meaning "against," and when used in bookkeeping it signifies "against" or "on the opposite side."

CONTRABAND. (Fr. *Contrebande*, Ger. *Konterbande*, Sp. *Contrabando*, It. *Contrabbando*.)

All commerce which is carried on contrary to the laws of a state is said to be contraband. In times of peace the word is generally applied to contraventions of the revenue laws which prohibit or restrict the importation of foreign goods. In time of war it means all kinds of goods which a belligerent forbids to be imported into an enemy country.

CONTRACT. (Fr. *Contrat*, Ger. *Vertrag*, Sp. *Contrato*, It. *Contratto*.)

"Every agreement and promise enforceable at law is a contract" (Pollock). It is not quite correct to define a contract as an agreement enforceable at law, for an agreement which cannot be enforced, because it does not fulfil the requirements of certain statutes, e.g., the Statute of Frauds, or the Sale of Goods Act, may still be a contract.

Contract is the result of a combination of two ideas—an agreement and an obligation. (In the case of a simple contract there is also the all-important element of a consideration.) To constitute an agreement there must be a meeting of two or more minds in one and the same intention. This is called a *consensus ad idem*. But a mere agreement is not sufficient to make a contract. Otherwise such agreements as an appointment of two friends to take a journey together, or to dine together, might give rise to an action at law. There must be, in addition, an intention to create a legal obligation, that is, the parties must have it in their minds that, if necessary, the matter in hand shall be dealt with by a court of justice.

The necessary elements of a valid contract are:—

(1) A communication by the parties to one another of their intention. This is offer and acceptance.

(2) Legal capacity to contract.

(3) Certain evidence, required by law, of the intention of the parties to affect their legal position. This is form, or consideration.

(4) Legality and possibility as regards the subject matter.

(5) An absence of any circumstance which might show that the agreement entered into by the parties was not genuine. There must be no taint of mistake, misrepresentation, or fraud.

If any one or more of these elements is wanting, the so-called agreement, which purported to be a contract, will be either

(a) Unenforceable, that is, valid in itself, but not capable of being proved in a court of justice, or

(b) Voidable, that is, capable of being affirmed or repudiated by one or other of the parties, according to his wishes; or

(c) Void, that is, destitute of all legal effect.

Classes of Contracts.—There are three classes of contracts in English law, contracts of record, contracts under seal, and simple contracts.

A contract of record is the name given to an obligation which arises from the judgment of a court of competent jurisdiction ordering something to be done or forborne by one of two parties in respect of the other. The term is not a happy one, because it suggests that the obligation springs from agreement, whereas it is really imposed upon the parties by some other third party.

A contract under seal is generally called a specialty contract or a deed. This is the only formal contract known to English law. (See *Deed*.)

A simple contract is often called a "parol" contract, and it makes no difference whether its terms are committed to writing or whether they are only made orally. It is the agreement arrived at between the parties which constitutes the contract. The name "parol" applies to both. The writing is in many cases unnecessary, and in others it is only used because it is

required by some statute as a condition precedent to proof in court.

Another division of contracts is into "executed" and "executory." An executed contract is one in which the object of the contract is at once performed, while an executory contract is one in which one of the parties binds himself to do, or not to do, a given thing at a future time.

Offer and Acceptance.—These are the two necessary elements in the formation of a contract. No matter how complicated the nature of an agreement may be, there must be a definite offer made by one party and an unqualified acceptance by the other before a contract is formed. If the terms are clearly stated the contract is said to be "express"; if, on the contrary, the offer and acceptance are to be inferred from the conduct alone of the parties, the contract is said to be "implied."

The following are the principal rules as to offer:—

(1) The terms of the offer must be certain, or capable of being made certain.

(2) The offer may be made either to a definite person or to individuals generally. There cannot, however, be any contract until the offer has been accepted by a definite person. The performance of the conditions prescribed in an advertisement offering a reward is a sufficient acceptance to conclude a contract.

(3) The person who makes the offer is at liberty to prescribe any terms of acceptance he pleases, and no matter how ridiculous these may appear, a strict compliance with them is necessary in order to make a contract.

(4) When the offer consists of various terms, care must be taken to bring the whole of the terms to the notice of the other party.

(5) The offeror must not attempt to bind the acceptor by any such term or terms as would dispense with a communication of acceptance.

(6) An offer can always be revoked until it has been accepted. It also lapses unless there is an acceptance within a reasonable time.

(7) An offer made by telegraph is an indication that an acceptance by telegraph is expected, or that a prompt reply is looked for.

The principal rules as to acceptance are:—

(1) The acceptance must be unconditional, and made in the manner and form prescribed in the terms of the offer. Any suggested variation amounts to a counter proposal.

(2) The acceptance must be made either within the time stipulated, or within a reasonable time.

(3) If the offer is made to a specified person, it can only be accepted by that person.

(4) The acceptance must be communicated to the person making the offer, either by words or by conduct.

(5) The acceptor must be unaware of the fact that the offer *has* been revoked, if indeed there has been a revocation at or before the time of his acceptance. It is immaterial how the knowledge of revocation is communicated.

Contract by Post.—When the parties to a contract make use of the post as a means of communication, the post is considered, *primâ facie*, as the agent of the first person making use of it, that is, of him who makes the offer. An offer sent by post is of no effect unless it reaches the other party, and when it has arrived at its destination it is always possible for the sender to revoke the offer by a later communication, however made, so long as there has been no acceptance. But the mere despatch of a subsequent letter of revocation which does not reach the acceptor until the offer has been accepted is of no avail.

On the other hand, an acceptance made by post is complete at the moment the letter accepting the offer is posted. And it makes no difference even if, in fact, the letter never reaches its destination. The post is not, *primâ facie*, the agent of the acceptor, and therefore the acceptor is not responsible for any default by the loss or delay of a letter. The person making the offer has chosen his own agent, and must take the whole responsibility upon himself.

Capacity of Parties.—Capacity to contract is governed by the law of the domicil. This rule is subject to two exceptions:—

(1) A person's capacity to bind himself by an ordinary mercantile contract is governed by the law of the country where the contract is made.

(2) The capacity to contract in respect of immovable property is governed by the law of the country where the property is situated.

Every person is presumed to have the capacity to contract, but this presumption is capable of being rebutted as regards some persons, while others

are disqualified by law. The capacity of an artificial person, such as a corporation, depends upon the charter or statute creating it.

Since the Naturalisation Act of 1870 (now repealed and replaced by the British Nationality and Status of Aliens Act, 1914) there has been no difference in the capacity to contract between a natural-born British subject and an alien, that is, a person who is not a subject of the British crown, except that the latter can acquire no property in a British ship. This, however, refers to times of peace. There can be no contract between a British subject and the subject of a state at war with this country unless the enemy subject has obtained a licence to trade. An alien enemy cannot sue in our courts, though he can be sued.

Foreign states and sovereigns, their ambassadors, and the officials of their households, may enter into contracts with British subjects, but they cannot be sued upon such contracts in England unless they are willing to acknowledge and submit to the jurisdiction of the English courts.

A person under the age of twenty-one is legally an infant. Prior to the Infants Relief Act, 1874, the contracts of an infant were never void. Excepting for "necessaries," his contracts were voidable only; he might affirm them or repudiate them at his option. (It may here be mentioned, since the point is frequently lost sight of, that infancy is no defence in an action of tort.)

No precise definition can be given of the term "necessaries," so as to cover all cases. A great deal depends upon the social position of the infant. It is clear also that the articles included in the term will vary with the advance of wealth and civilisation. Moreover, a tradesman acts at his peril who supplies an infant with what might be considered necessaries if the infant is already sufficiently supplied with articles of the same kind. As a corollary to his liability for necessaries, it has been held that a contract which is clearly for his benefit is binding on an infant, such as a contract of service or apprenticeship. Even when there are covenants in an apprenticeship deed not altogether to the infant's advantage, the contract as a whole may be enforced. In a modern case Mr. Justice Channell said: "The true question is whether the particular stipulation complained of is so unfair as to make the entire contract disadvantageous to the infant. You may find in any contract a clause which by itself is not to the advantage of the infant; but that is not enough; the contract, as a whole, must be disadvantageous."

By the first section of the Infants Relief Act of 1874 the following contracts of an infant are absolutely void:—

(*a*) For the repayment of money lent, or to be lent;

(*b*) For goods supplied, or to be supplied (other than contracts for necessaries);

(*c*) Accounts stated, that is, admissions of liability for money due.

By the second section of the same Act it is provided that a ratification, after full age, of any contracts made during infancy, shall have no binding effect, even if there is a fresh consideration for such ratification. This section has given rise to much difficulty. But it is, nevertheless, clear that in the case of contracts of continuing liability, such as a partnership, or as being a shareholder in a joint-stock company, an infant will be bound after attaining his majority unless he repudiates his liability within a short time of his coming of age.

Although the courts will make every effort to prevent an infant obtaining a benefit through his fraud, the infant will not be bound by a contract which has been entered into with a tradesman who was deceived as to his age. Without authority, express or implied, an infant cannot bind his parent or guardian, even for necessaries.

The common law as to the capacity of a married woman has become practically obsolete, and it is unnecessary to consider the state of things prior to the passing of the Married Women's Property Act, 1882. This Act has been amended in important particulars by two subsequent Acts, passed in 1884 and 1893, and in one minor matter by an Act passed in 1907. A married woman can now hold property as her own, and, with respect to that portion over which she has full control, it is possible for her to enter into contracts as if she were unmarried. It is immaterial whether she has or has not property of her own, or, as it is generally called, "separate property," at the time of entering into a contract.

There is no remedy against a married woman personally; she contracts with respect to her separate estate, and if she has no separate estate her creditors are without any remedy against her.

She may be possessed of ample means, but if her property is in the hands of trustees, and she is "restrained from anticipation," that is, forbidden to alienate or charge her property, a judgment obtained against her will be in most cases valueless so long as she remains a married woman. She cannot be committed upon a judgment summons, except in respect of contracts made before marriage, or of torts committed during marriage.

Unless she is engaged in trade, a married woman can never be made a bankrupt, and until 1914 it was only when she was trading alone that she was subject to the bankruptcy laws. Now, however, by the Bankruptcy Act, 1914, a married woman may be made a bankrupt if she is trading, either alone or in conjunction with her husband or other person; and, if she is adjudicated a bankrupt, even that part of her property which is subject to the restraint just mentioned may be taken possession of by the court for the benefit of the creditors. Her peculiar immunities cease as soon as she becomes a widow.

The old common law doctrine of the husband and wife being one person has been practically destroyed, so far as the power of contracting is concerned. A wife can, therefore, contract with her husband in respect of her separate estate just as with any other person.

So long as a husband and wife are living together the wife has an implied authority to bind her husband, acting as his agent, for necessaries for herself, and in household matters generally, But the authority is only an implied one, and may be rebutted by the husband's showing that he has forbidden her to pledge his credit. The authority continues as to necessaries for herself if the parties are living apart, without any fault on the part of the wife, and the husband neglects or refuses to maintain her.

The capacity of a corporation or a company to contract depends upon the purposes for which it is formed, as set forth in the statute, charter, or memorandum of association by which it is constituted. If it exceeds its powers in this respect it is said to act *ultra vires*, and any such contract entered into is absolutely void. As a general rule a corporation cannot bind itself except by a contract under seal. But this rule is subject to many exceptions. If the matter is one of slight importance, or of great urgency, the seal will be dispensed with. There is an increasing tendency to give validity to contracts made with corporations, and not under seal, which arise in the ordinary course of business.

The contract of a lunatic is voidable and not absolutely void, though his estate is always liable for the price of necessaries supplied to him. But in order that a lunatic may claim the benefit of repudiation of a contract into which he has entered, while in an unsound state of mind, it must be shown that his mental condition was known to the other party to the contract at the time of entering into it. In a leading case it was said: "A defendant who seeks to avoid a contract on the ground of his insanity must plead and prove not merely his incapacity, but also the plaintiff's knowledge of that fact, and unless he proves these two things he cannot succeed." During a lucid interval a lunatic has the same capacity of contracting as any other person, and he may also then ratify and confirm any contract entered into while insane.

A drunken person, who is in such a condition as not to understand what he is doing, is in the same position as to contracts as a lunatic.

By the Act to Abolish Forfeitures for Treason and Felony, passed in 1870, convicts are incapable of suing in an action or making any contract, except while they are lawfully at large under any licence. By the 6th section of the Act a convict is defined to be a person against whom judgment of death or of penal servitude has been pronounced.

Form and Consideration.—The deed is the only formal contract which is known to the English law. It may be used in any commercial or other transaction which is of the nature of a contract. But this rarely happens; indeed, its use is strictly confined to those cases in which the law has directed that sealing is indispensable. Of these cases the following are the principal:—

(*a*) Conveyances of land, legal mortgages, and certain leases which are to last more than three years.

(*b*) Contracts by which shares in joint-stock companies are transferred. It is a general rule for the articles of association of a company to require a deed for such transfer.

(*c*) Contracts by which British ships are transferred.

(*d*) Contracts for the sale of sculpture, together with the copyright in the same.

(*e*) Contracts entered into with corporations.

A deed is also necessary in order to make a gift, or a bond, of any legal effect.

Every contract not under seal, or which is not a contract of record, is called a simple contract. In order to be enforceable at law it must be supported by a consideration. At one time the fact of an agreement having been entered into and the existence of a consideration were the only requisites of a simple contract. But after the passing of the Statute of Frauds in 1678 it became necessary that certain contracts should be evidenced by writing. The writing itself does not affect the contract; the law only requires it as evidence of the fact that a contract has been entered into by the parties. Writing is always advisable in cases of difficulty and complication, but if a contract can be proved otherwise, it is enforceable in a court of law unless it falls within the class of those contracts which absolutely require the existence of writing to support them. Moreover, a defendant who intends to rely upon the defence that there is no evidence in writing, must specially plead it, or the absence of writing will not help him. (See ***Frauds, Statute of.***)

Other contracts which must be evidenced by writing are:—

(*a*) Bills of exchange. This was necessary by the *lex mercatoria*, and was adopted by the common law. A statute of the reign of Anne required that promissory notes should also be in writing. Both are now governed by the Bills of Exchange Act, 1882.

(*b*) Assignments of copyright.

(*c*) Contracts of marine insurance.

(*d*) Acknowledgments of debts barred by the Statute of Limitations.

The existence of a document in writing does not dispense with consideration, unless that document is a deed. Considerations are of two kinds, good and valuable. A "good" consideration consists in natural love and affection. This is not sufficient to support a simple contract. The consideration required is what is known as valuable. A "valuable" consideration has been defined as "some right, interest, profit, or benefit accruing to one party, or some forbearance, detriment, loss, or responsibility given, suffered, or undertaken by the other." More shortly it may be defined as some return or equivalent for a promise made, to show that the promise was not made gratuitously. The simplest illustration is the payment of a sum of money for the purchase of goods, or for an undertaking to do some piece of work.

The requisites of a consideration are:—

(1) The consideration must be of some value, however slight, and must proceed from the person to whom the promise is made. Unless the consideration is one of such inadequate value as to raise a presumption of fraud, the contract will not be set aside by the courts.

(2) If the consideration consists in something to be done by one of the parties to the contract, it is necessary that the act should not be such as the promisor is already under a legal obligation to do.

(3) The consideration must not be of a vague and indefinite character. It must be something that the law can enforce if necessary.

(4) It must be lawful.

(5) It must not be a past benefit, unless it can be shown that the services rendered were at the request, express or implied, of the party benefited. The law will imply the request,

(*a*) Where the plaintiff has been compelled to do what the defendant was legally bound to do.

(*b*) Where the plaintiff has voluntarily done what the defendant was legally compellable to do, and the defendant has, in consideration of the same, expressly promised.

(*c*) Where the defendant has adopted the benefit of the consideration.

Legality.—No agreement is of any legal effect if it is unlawful in any of its terms, or if it contemplates the prosecution of anything which is unlawful in its results. It makes no difference whether the contract is under seal or only a simple contract. In each case such a contract is void.

It is not merely the liability to punishment, or other legal penalty, which makes an agreement unlawful. An agreement may also be null and void if it is opposed to public policy, or is expressly made void by statute law.

Any agreement to commit a crime is, of course, void, and so also is one to commit a civil injury, that is, an injury for which damages may be claimed in a court of law. Again, an agreement is equally invalid if it has for its object the payment of money, or the transfer of property, in aid of an illegal purpose. For example, it is a

criminal offence to compound a felony, that is, to refrain from prosecuting an offender. An agreement, therefore, to lend money for the purpose of applying it in compounding a felony is void. The holding of lotteries is a criminal offence. Any agreement, therefore, to subscribe to a lottery, or to pay a prize gained in the same to a winner is void. Again, all agreements which have for their purpose the defrauding of third parties are void. If, therefore, a man who is heavily indebted enters into an agreement with his creditors by which he agrees to pay them a certain portion of their debts in full satisfaction of the whole, he cannot favour one creditor at the expense of the rest. An agreement to pay a larger composition to one than to the others is void; that is, of course, unless all the others consent to such a thing being done.

Certain contracts have been made invalid by various Acts of Parliament. Such are those which offend against the provision of the Truck Acts, by which it is forbidden to pay the wages of workmen otherwise than in money, and the laws as to Sunday trading—now almost obsolete. Gaming and wagering contracts are invalid, and contracts for the sale of certain goods, such as game, intoxicating liquors, bread, and coal, are subject to special regulations.

Contracts made on the Stock Exchange for the sale and purchase of stocks and shares, which are not intended by the parties to result in legitimate business are, in the eye of the law, wagers, and consequently void. Also Leeman's Act, passed in 1867, renders void the sale of shares in a joint-stock banking company, unless the contract sets out in writing the numbers of the shares as stated in the register of the company. It has been the custom of the London Stock Exchange to disregard the provision of this Act, but such a custom cannot be uphold.

If one party to an unlawful agreement has paid money to the other party for the purposes of the agreement, he may repudiate his agreement and claim repayment of his money, unless it has already been appropriated by the party to whom it has been paid in accordance with the terms of the agreement.

Public Policy.—It is not easy to define "public policy," since the term must have different meanings at different times; but it may be broadly stated that the contracts which are held to be opposed to public policy are those which it is deemed undesirable to recognise on the ground that they are opposed to the public interest. At one time there was a strong disposition to interfere with contracts which were supposed to offend against public policy, but the reverse is now the case, and in 1891 the late Mr. Justice Cave said: "Judges are more to be trusted as interpreters of the law than as expounders of what is called public policy." Consequently, the number of contracts which are held to be illegal on this ground is now comparatively small.

Trading agreements made with aliens who are the natural-born subjects of a country at war with this country are invalid. The rule is different if a licence has been obtained from the Crown to trade with the enemy. Contracts entered into before the outbreak of hostilities between the subjects of different states are simply suspended during the continuance of the war, unless they are such as to be incapable of suspension, e.g., a partnership. A state of war cannot fail to create exceptional difficulties, and these difficulties can only be met by emergency legislation. It is useless, therefore, to lay down any code of rules which can be applicable in all cases.

Other contracts which are considered to be opposed to public policy are those which stipulate for the payment of penalties under certain conditions. Sometimes the parties to a contract agree as to the sum of money that is to be paid in case there is a breach of it, and give to the sum agreed upon the name of "liquidated damages." But the law will scrutinise agreements of this kind with great jealousy, and, following the principles of equity, will grant relief whenever it is clear from the facts of the case that the payment is, in spite of its name, not the amount of damages sustained, but in reality a much larger sum, and therefore a penalty.

Restraint of Trade.—Contracts which tend to place any undue restraint upon freedom of trade are regarded with suspicion. The reasons for holding contracts in general restraint of trade to be void were stated concisely in a case tried in 1837:—

"(1) Such contracts injure the parties making them, because they diminish their means of procuring livelihoods and a competency for their families. They tempt improvident persons, for

the sake of gain, to deprive themselves of the power to make future acquisitions. And they expose such persons to imposition and oppression.

"(2) They tend to deprive the public of the services of men in the employments and capacities in which they may be most useful to the community as well as to themselves.

"(3) They discourage industry and enterprise, and diminish the products of ingenuity and skill.

"(4) They prevent competition and enhance prices.

"(5) They expose the public to all the evils of monopoly."

The history of the subject is extremely interesting, but too lengthy to be attempted in any work not specially devoted to the subject. By degrees, it was held that a partial restraint of trade might be allowed, provided there was a limit of time and space, and that there was also some consideration for the restraint. (It is an exception to the general rule as to deeds, that even though the agreement in restraint of trade is under seal, there must still be a consideration to support it.) What is a reasonable limit must depend upon the peculiar circumstances of each case, and especially upon the nature of the trade or profession which is affected. Thus, the following have been held good: a contract by a solicitor not to practise within 150 miles of London; by a surgeon not to practise within seven miles of a certain country town; by a publisher not to carry on his trade within 100 miles of the General Post Office, London. But a contract by a dentist not to carry on his practice within 100 miles of York was held to be bad.

Owing to the invention of railways, the telegraph, and the telephone, the courts are now inclined to give a more liberal construction to contracts of this kind than they would have done half-a-century ago. A business man is not now confined to a narrow limit, but may have connections in all parts of the world. He might, therefore, be a serious loser at various times if his clerks, agents, or employees were able to set up in business and compete with him. For this reason when an employee is taken into service in a firm with a large business connection it is generally made a condition of the contract of employment that he shall not enter into the same or a similar business to that carried on by his employer for a certain period, or within a limited district, after the termination of his agreement. A similar kind of agreement is entered into in most cases between the vendor and purchaser of the goodwill upon the sale of a business, the vendor covenanting not to compete with the purchaser for a certain time within a specified district. The object in both cases is to prevent undue competition. Unless the restraint imposed is considered, under all the circumstances, too harsh, the agreement will be held good.

Sometimes an agreement of this kind will be held to be partly good and partly bad. Thus, in one case the defendant covenanted with his employers that after he left their service he would not practise as a dentist in London, or in any other place in England or Scotland where they might have been practising. The agreement was held to be good as to London, but bad as to all other places.

One of the most recent as well as one of the most important expositions of the modern law as to contracts in restraint of trade is to be found in the case of *Nordenfelt* v. *Maxim-Nordenfelt Guns Co.*, 1894, A.C. 535. In that case a patentee and manufacturer of guns and ammunition for purposes of war covenanted with a company to which his patents and business had been transferred that he would not for twenty-five years engage, except on behalf of the company, either directly or indirectly, in the business of a manufacturer of guns and ammunition. It was held that although the covenant was unrestricted as to space, yet, having regard to the nature of the business and the limited number of customers, viz., the governments of this and other countries, it was not wider than was necessary for the protection of the company, nor injurious to the public interests of this country, and that it was therefore valid.

A very curious case in connection with this part of the subject is that of *Elliman* v. *Carrington*, 1901, 2 Ch. 275. The plaintiffs, who are the well-known manufacturers of an embrocation, sold a quantity of their goods to the defendants under a contract whereby the latter agreed not to sell them for less than a specified price, and also to procure a similar agreement from any retail dealers whom they might supply. The defendants failed to obtain such agreement from the retail dealers. It was held that the covenant in the contract was not in restraint of trade,

and that the plaintiffs were entitled to maintain an action against the defendants in respect of the breach of it.

In a case which came before the Court of Appeal in November, 1908, where a covenant in restraint of trade entered into with an infant was under consideration, it was stated that anything unusual in the covenant might cause the Court to modify the general propositions as laid down in the best known leading cases, especially if such covenants were entered into with infants, or with employees in the case of restraints imposed by employers. (See *Master and Servant.*)

Possibility of Performance.—The contract must be one which is capable of being performed at the time when it is made. An undertaking to perform an impossibility renders a contract void for want of sufficient consideration.

There are three kinds of impossibility:—

(1) Absolute impossibility. This is the case of an agreement to perform a thing which is incapable of performance by the laws of nature, as an undertaking to fly to the moon, or to circumnavigate the globe in an hour.

(2) Legal impossibility. This is the case where an act is positively forbidden by the law of the land.

(3) Actual impossibility. This is the most important of the three. It arises where parties have contracted as to a certain thing which, without their knowledge, is non-existent at the time of entering into the contract, or as to a state of affairs which has changed between the times of the formation and the performance of the contract. Thus in one case, two parties bargained as to a cargo which was supposed to be on a voyage. It subsequently transpired that it had ceased to exist owing to perils of the sea. It was held that the contract was void.

Many interesting points as to impossibility of performance arose out of the letting and hiring of seats for the Coronation in 1902. In one of the latest it was judicially decided that where money has been paid under a contract, the further performance of which has become impossible owing to the non-existence of the subject matter of the contract, the contract is not rescinded *ab initio*, but both parties are excused from any further performance under the contract. In any case if the executive steps in and hinders the performance of a contract, the contract is dissolved.

Of course a man may contract absolutely as to this third class, and if he does so he must submit to the consequences. But the terms of the contract would have to be very explicit to fix him with liability for every kind of failure, especially if the contract was one of a personal nature. It might be utterly impossible, under the circumstances, to secure the services of a deputy in cases of incapacity or illness.

Mistake.—Since the agreement of two minds in the same sense upon the same subject matter is a condition precedent to the formation of a contract, the parties must know what they are bargaining about, and if it can be shown that there was clearly a misapprehension on the one side or the other, the contract will be, in some cases, invalid or voidable. But the mistake which will affect the validity of a contract must not be confounded with the popular meaning of the word, nor does the operation of mistake extend beyond what are called mistakes of fact. Otherwise the majority of people would probably endeavour to avoid their liabilities on the ground that things had turned out contrary to their expectations, and that they had been mistaken.

No agreement, which in other respects contains all the ingredients of a valid contract, is invalid because of a mistaken construction of the law. A person who has full knowledge of all the material facts of a case cannot plead ignorance of the legal effects of an agreement. The maxim is *Ignorantia juris neminem excusat* (ignorance of the law excuses no man). Similarly, although money paid under a mistake of act may be recovered, money paid under a mistake of law is irrecoverable. Thus, in one case an action was brought to recover the price of goods sold. The defendant declared he had paid for them, but could not produce the receipt. He was, therefore, compelled to pay a second time; and when, a little later, the receipt turned up, he was unable to recover his money from the seller of the goods. The decision is apparently harsh, but it is based upon the principle that unless some limit is fixed contests in the courts might go on interminably. The doctrine that money paid by mistake under compulsion of legal process cannot be recovered will not be allowed to prevail if it appears that there has been an absence of *bona fides* on the part of the original creditor.

In some cases the courts will allow a mistake in a written agreement to be

rectified, if it is clearly made out that the agreement as it stands does not express the intentions of the parties.

The mistakes of fact which are sufficient to invalidate a contract, otherwise regular upon the face of it, are the following:—

(1) Mistake as to the subject matter of the contract. This may refer either to the existence of the subject matter at the time of the formation of the contract, or to its identity. Unless the parties are *ad idem*, there can be no contract.

(2) Mistake as to the parties to the contract. This arises when one of the parties intending to contract with one person makes an agreement with another. Certainty is one of the essentials of a valid contract, and a mistake of this kind renders the agreement invalid.

(3) Mistake as to the nature of the contract. The most familiar example of a mistake of this kind is where a blind or illiterate person is prevailed upon to sign a deed or other document, being told that it is something altogether different. The mistake, which may amount to fraud on the part of some person or other, arises from the fact that the mind of the signatory does not accompany the signature.

A very difficult point arises in the sale of goods, where the parties hold different views as to the nature and the quality of the thing sold. Unless, however, it is shown that the seller is in some way bound to the buyer, each party takes his own chance as to the bargain, and the contract holds good.

Misrepresentation.—Before any contract is entered into the parties will most probably have been in negotiation, and certain statements, inducing the contract, will have been made on one side or the other. In the case of certain contracts, e.g., insurance, the representations made are of the utmost importance, and the fullest disclosure of all material facts is required. If the statements turn out to be inaccurate, though not so to the knowledge of the person making them, there will arise what is called misrepresentation, and the contract will be voidable at the option of the person damnified, since his consent to the terms of the contract was obtained by representations which prevented him from having a full and proper knowledge of the facts. In order, however, that misrepresentation may be a ground for rescinding a contract, it must be one of fact and not of law, it must have been made by one of the parties to the contract, and the contract itself must have been induced by the other party relying and acting upon the misrepresentation.

Cases of misrepresentation arise very frequently, and as the facts are often complicated it is a difficult matter, without carefully sifting the whole evidence, to say what will suffice to avoid a contract on this ground. When a man intends to enter into a bargain he must use foresight and ordinary prudence, and he cannot expect much sympathy—the law certainly will not sympathise with him—if the bargain turns out to be less favourable than he imagined it would be, especially if, when he has had every opportunity of examining the whole matter for himself, he has nevertheless trusted blindly to the statements of others.

Fraud.—When a misrepresentation is made by a party with a full knowledge that it is untrue, or recklessly, not caring whether it is true or false, this is said to be fraud. The law upon the subject was finally settled by the House of Lords in *Derry* v. *Peek*, 1889, 14 A.C. 337. In that case the directors of a tramway company had stated in their prospectus that they had a right to use steam power in the working of their carriages. In point of fact, the right to use steam power was subject to the sanction of the Board of Trade, which the directors honestly believed they would obtain. The permission was not given. It was held that as the statement in the prospectus was made honestly, in the belief that it was true, there was no fraud.

Since this case was decided the position of directors has been changed by the Directors Liability Act, 1890, and though this Act is repealed, its chief provisions are incorporated in the Companies (Consolidation) Act, 1908. If a charge of fraud is now made against directors, it is not for the plaintiff to prove that the directors had no grounds for believing in the truth of the statements contained in the prospectus, but for the directors to show that they had good grounds for making them. As far as other persons are concerned, the law remains as it was laid down in *Derry* v. *Peek*.

Fraud is so far-reaching in its effect, and so infinitely varied in its form, that the courts have refused to lay down any definition of it which will cover all cases. As in misrepresentation, it must be remembered that in order to avoid

a contract on the ground of fraud, the fraudulent statement complained of must be one of fact and not of law, must have been made by one of the parties to the contract, and must have been the cause of the contract's being entered into. The misrepresentation need not be made directly to the person deceived. Not many years ago it was held that where a prospectus was issued for the purpose not merely of inviting persons to subscribe for shares, but also of inducing persons to purchase the shares of the company in the open market, the office of the prospectus was not exhausted by the allotment of the shares; and that any one who, having received a prospectus, afterwards purchased shares in the open market, relying upon the false representations contained in the prospectus, had a cause of action against the promoters for fraudulent misrepresentation. But if the buyer of shares did not, in fact, rely upon the false statements complained of, but was induced to buy for other reasons, no action would lie.

Since the state of a man's mind is a matter of fact, a person cannot shelter himself behind a declaration that he made a statement honestly believing it to be true, when in fact he is wilfully misrepresenting the state of his own mind. But this is a question of evidence.

If a contract has been induced by misrepresentation or fraud the injured party may elect to uphold the contract or to set it aside. The contract is not void, but voidable. If it is intended to uphold the contract, there is a right of action for damages sustained by the fraud or misrepresentation. If it is intended to avoid the contract notice must be given to the other parties. If any advantage has been taken under the contract it cannot be avoided, and the same is true if circumstances have so altered the state of affairs that the original position of all concerned cannot be restored.

Undue influence and duress are subjects closely allied to misrepresentation and fraud. The former consists in the improper exercise of a power possessed over the mind of one of the contracting parties by the other. The latter signifies actual or threatened violence, or a restraint of liberty. In either case the party coerced may avoid the contract, since the law will presume that his consent was not given freely. Subsequent ratification, however, when the undue influence or duress has been removed, will make the contract good in all respects.

Rights and Liabilities. — A contract gives rise to certain rights and liabilities. These rights and obligations cannot arise except between the parties to the contract. A third party cannot come in and demand the performance of anything, even though the contract is really made for his benefit. For example, if A. agrees with B., there being a consideration for the promise, that C. shall receive £50, C. cannot enforce the payment of this sum, since he is no party to the agreement. Similarly C. cannot be bound by a contract made between A. and B. to do something for the benefit of either of them. The fact of an agent being employed to carry out an agreement is not an exception to the rule. The legal maxim is *qui facit per alium facit per se,* and the agent occupies the place of his principal, or employer, for many purposes.

What are the exact rights and obligations arising out of a contract is a question of evidence. If the contract is a verbal one, the intentions of the parties must be gathered from all the circumstances of the case. If the contract is one which requires writing to make it enforceable, the construction of the document is for the court. It must be carefully borne in mind that when all the terms of a contract are reduced to writing, no evidence can be given to vary them. The terms have been set out deliberately, and the rights and obligations given or imposed must be found within the four corners of the document.

Nevertheless, when it is necessary to give effect to the terms of a contract, whether of those which have been proved in the case of a verbal contract, or of those which are contained in a written document, certain rules of construction must be observed, of which the following are the principal:—

(1) The construction must be reasonable.

(2) It must be liberal

(3) It must be favourable.

(4) Words must be construed in their ordinary sense.

(5) The whole context must be considered.

(6) The words of a contract must be construed most strongly against the contractor.

From a general consideration of these rules it is clear that the English courts lean strongly towards making a contract

effective, whenever they can see their way clear to do so, on the maxim *ut res magis valeat quam pereat.* If words have acquired a peculiar signification from their use in a certain locality or trade, their meanings will be recognised and effect will be given to them. Thus in one case it was shown that a thousand rabbits always signified twelve hundred. The existence of commercial and local customs will be noticed, unless they have been expressly excluded by the terms of the contract.

The rule as to the exclusion of oral evidence to vary a contract which is evidenced by writing does not extend to the case of what is called a "latent ambiguity," that is, a word or phrase which on its face appears perfectly clear, but which can be shown to be applicable to different matters.

At common law it was impossible to assign the rights acquired under a contract, as being a *chose in action.* This was not the rule in equity, and since the passing of the Judicature Act, 1873, the equitable prevails in all the courts. (See *Assignment.*)

Discharge of Contract.—A contract is said to be discharged when the contractual relationship is terminated, and the rights and liabilities arising out of it are extinguished. Other rights and liabilities may have arisen, but they are independent of the original contract.

Discharge may take place in one of the following ways:—

I. *Agreement.*—This may happen in one of three ways—by the substitution of a fresh agreement for the original one, by waiver, or by release. If the original contract was under seal the release must be effected by means of a deed. If the release is not one which is required to be under seal, it must be made for a sufficient consideration. In the case of an agreement made by promises of one party to the other, the consent of each to its alteration or cancellation will be consideration enough. No consideration is required for the cancellation of a bill of exchange.

A contract is said to be discharged by agreement if it comes to an end owing to the occurrence of an event, upon the happening of which it has previously been agreed that all rights and liabilities under it shall cease. This is generally so with an ordinary bond. A. binds himself by deed to pay to B. a sum of £500, but if B. does a certain act the bond is to become void. The performance of the act extinguishes the contract.

II. *Performance.*—By performance is meant the fulfilment of the terms of the contract in every respect. If a time is fixed for the performance it must be observed; if not, a reasonable time is to be allowed.

When the performance of a contract consists in the payment of a sum of money, the money paid, in order to make the discharge absolute, must be by what is called legal tender, unless the creditor dispenses with it. (See *Legal Tender.*)

If a cheque, bill, or n te is accepted by a creditor in payment of money due, it will depend upon the circumstances of the case whether it was the intention of the parties to extinguish the existing contract by the transfer of such cheque, etc. If it was, then the creditor has a new contract in place of the old one, upon which he must sue in the event of the cheque being dishonoured. Generally, however, it is understood that the cheque is given conditionally, and that the agreement between the parties is that if the cheque is dishonoured the original contract is revived.

A contract is discharged when an agreement has been made by the parties to it that something shall be done or given in satisfaction of the existing right of action under the contract. This is called "accord and satisfaction." But accord without satisfaction does not bar the right of action. Therefore in the case of an ascertained debt the acceptance of a smaller sum of money is not satisfaction, but simply a reduction of the debt *pro tanto,* there being no consideration for the relinquishment of the unsatisfied part. But the payment of something else of a different nature (and even a negotiable instrument for a smaller amount), however insignificant its value, is a sufficient performance of the contract, and a good legal discharge.

Tender operates as a performance of a contract, if made strictly in accordance with the terms of the contract, but refused by the promisee. (See *Tender.*)

In connection with the subject of payment should be noticed the rules respecting "appropriation of payments." If a debtor owes more than one debt to his creditor, and pays to him a sum of money which is insufficient to liquidate the whole of the debts, the money must be appropriated by the creditor in the following manner:—

(1) To whichever debt the debtor

7—(1420)

desires, provided the option is exercised at the time of payment.

(2) If no appropriation is made by the debtor, the creditor is at liberty to exercise his own option at any time.

(3) If there is a general running account between the parties, there is a presumption (though it may be rebutted) that the money paid has been appropriated to the various items in the order of date.

When two or more persons have jointly promised, each of them is liable on the contract, and the performance of the terms by any one of them is an extinguishment of the liability of the others. The contract is discharged by the performance. The one who has performed the contract can make his copromisors repay their share of the debt or liability. This right of contribution is confined to contract; there is no contribution in tort, except in the case of a libel contained in various newspapers, and under those sections of the Companies (Consolidation) Act, 1908, which have replaced the provisions of the repealed Directors Liability Act, 1890.

III. *Breach.*—On the breach of a contract the rights and liabilities under it are converted into a right of action for damages, or in certain cases for specific performance, or for an injunction.

The breach of a contract may be either total or partial. If it is total, the party who is injured may at once commence an action against the other party, even though the time for performance is not yet due, provided that the circumstances are such as to make it clear that the terms of the contract will not be carried out. The case which well illustrates this rule is that of *Hochster* v. *de la Tour*, 1853, 22 L.J., Q.B. 455. The plaintiff had been engaged by the defendant to act as his courier at a fixed salary, the duties to commence on June 1. Before that day arrived the defendant changed his mind, and told the plaintiff that he should not require his services. It was held that there was an immediate right of action, and that the plaintiff need not wait until June 1 to commence proceedings. The effects of a partial breach of contract will depend upon the peculiar circumstances of each case.

The most common relief afforded to an injured party for the loss which he has sustained through a breach of contract is damages. Since the main object in awarding damages is to place the injured party as far as possible in his original position, the measure of damages in contract is the amount of the loss which has been sustained through the breach of the contract. These can always be ascertained. Sometimes special losses are taken into consideration, and are recoverable from the defendant; but this is only the case when the defendant knew that such special loss would naturally arise from a breach of the contract, and undertook to be answerable for such loss. In addition to damages, the court may award interest upon a debt or a fixed sum of money awarded to a successful plaintiff in an action. The remedies of specific performance and injunction are applicable when it is clear that money damages are inadequate to compensate the injured party for the breach of the contract.

IV. *Lapse of Time.*—An action on a simple contract must be commenced within six years of the time when the cause of action arose, and within twenty years on a specialty contract. An action for the recovery of land must be commenced within twelve years from the time when the cause of action arose. (See *Limitations, Statute of.*)

V. *Merger and Estoppel.*—Merger is the substitution of a higher grade of contract for a lower, e.g., a specialty debt for a simple contract debt. Again, a judgment of a court of law is of a higher grade than a right of action. Thus, a judgment in favour of the plaintiff discharges the right of action, and supersedes it. Similarly, if judgment is given for the defendant, the judgment supersedes the right of action, and acts as an "estoppel," that is, debars the plaintiff from again suing the defendant for the same cause of action.

VI. *Impossibility.*—A contract is some times discharged by the impossibility of performance, which has arisen since the making of the contract. An interesting case on impossibility of performance is that of *Nickoll and Knight* v. *Ashton, Edridge & Co.*, 1901, 2 K.B. 126. By a contract made in October, 1899, the defendants sold to the plaintiffs a cargo of goods, to be shipped by a certain steamship at an Egyptian port during January, 1900, and to be delivered to the plaintiffs in the United Kingdom. The contract provided that, in case of prohibition of export, blockade, or hostilities preventing shipment, the contract or any unfulfilled part thereof should be cancelled. Towards

the end of 1899 the steamship was stranded through perils of the sea, without any fault on the part of the defendants, and was so damaged as to render it impossible for her to arrive at the port of loading during January, 1900. The plaintiffs sued for failure on the part of the defendants to ship a cargo under the contract. It was held, however, that the contract was to be construed as subject to an implied condition, that if at the time of its performance the steamship should, without any default on the part of the defendants, have ceased to exist as a ship fit for the purpose of shipping a cargo, then the contract should be treated as at an end.

In the case of bankruptcy the trustee has a right, under certain conditions, to disclaim any contracts entered into by the bankrupt. (See *Disclaimer.*)

CONTRACT NOTE. (Fr. *Note de contrat,* Ger. *Schlussschein,* Sp. *Nota de contrato,* It. *Nota di contratto.*)

This is a written agreement to supply or to purchase goods at a certain fixed price. It is, in fact, a brief statement of the terms of a contract.

CONTRACT NOTE, BROKER'S. (Fr. *Note de contrat de courtier,* Ger. *Schlussschein des Maklers,* Sp. *Nota de correduría,* It. *Nota di contratto di agente di cambio.*)

The memorandum or report of a transaction carried out by a broker for or on behalf of other persons is known as a broker's contract note. The term is commercially applied to the bought and sold notes, which are sent by the broker to the buyer and the seller respectively, containing a short record of the transaction. These notes are made out from the entries contained in the broker's contract book. It was long ago judicially decided that when the contract notes do not agree in their terms, the true effect of the contract itself is to be gathered from the broker's book.

Contract notes relating to the sale of goods are exempt from stamp duty. Those which have reference to dealings in stock or marketable securities must be stamped according to the scale which is set out in full under *Stamp Duties.*

The stamps used are adhesive ones, the penny one being the ordinary postage and revenue stamp, but the shilling stamp is specially appropriated to contract notes. The stamps must be cancelled by the persons who issue the notes. If the notes advise the purchase or sale of more than one kind of stock, stamp duty is payable upon each kind, as though separate contract notes had been issued for various transactions.

A broker who evades or attempts to evade the payment of stamp duty is liable to a penalty of £20.

CONTRIBUTORIES. (Fr. *Contribuants,* Ger. *Beitragende,* Sp. *Contribuyentes,* It. *Contribuenti.*)

All those persons who are liable to contribute to the assets of a joint-stock company in the event of its being wound-up are known under the general name of contributories.

No question of contribution arises if the capital of the company has been fully paid up. The liability of the shareholders is then at an end. And where the company is limited by guarantee, no person can be called upon to pay more than the amount owing upon his guarantee. Likewise no shareholder can ever be called upon to contribute anything beyond the balance remaining due upon the shares which he holds, or, in certain cases, which he has held within twelve months of the commencement of the winding-up. A fraudulent transfer, however, may not enable him to avoid all liability.

Contributories are divided into two classes, present and past members. The former include all those whose names are on the register of shareholders at the time of the commencement of the winding-up proceedings, and the latter are those who have been on the register within the twelve months previously. In practice the liquidator places them in two lists, known as the "A" list and the "B" list. The "A" list is settled as early in the winding-up as possible, but the "B" list is not fixed until it has been shown to the court that the present members, comprised in the "A" list, are unable to satisfy the debts of the company. They are the persons who are primarily liable, and they must be individually exhausted before any call is made upon the past members. Moreover, past members can in no case be made liable for debts which have been contracted since they ceased to be members.

The rule to be observed in respect of contributories has been judicially declared as follows: "You will apply all that you can get from the existing members in payment of the existing debts, no matter of what date. If after you have done that there remain debts unsatisfied, so that you have to resort

to the members who have passed away from the company within a year, then you will be compelled to classify the residuum of the debts so remaining, and ascertain what part of that residuum is to be attributed to past debts, that is, to debts which pre-existed the transfer made by past members—and what portion is to be attributed to the new debts which have arisen subsequently to the date of the last transfer. When you have ascertained the proportion which is attributable to debts which existed when the transfers were made, then if there have been several transfers within the year, you will be compelled of necessity to sub-divide that portion of the residuum into several portions according as you find that transfers have been made within the past year."

A contributory's estate does not escape liability by means of the death or bankruptcy of the contributory. His executor, administrator, or trustee, as the case may be, will be placed upon the list.

If there are debts owing by the company to a contributory, the latter cannot set those up in part or complete liquidation of the calls made upon him in competition with the ordinary creditors of the company. The calls must first be paid, and the contributory must prove his debt or debts in the winding-up. But any sum owing as dividends may be taken into account for the purpose of the final adjustment of the rights of contributories amongst themselves. Should a contributory, however, be bankrupt, the rule in bankruptcy prevails, and the trustee may set off against the calls any debt due from the company to the contributory.

Notice is given by the liquidator to every person who is placed upon the lists, and the notice states in what character or in respect of what liability he has been placed there. Any aggrieved contributory may apply to the court by summons, within twenty-one days of the service of the notice, to expunge his name from the list. The assets of the company, and not the liquidator personally, will be liable for the costs of a successful applicant.

CONTROLLER. (Fr. *Contrôleur*, Ger. *Kontrolleur*, Sp. *Registrador, interventor*, It. *Controllore, registratore.*)

This is a person who controls or checks the accounts of others by keeping a counter-roll or register.

CONVERTIBLE PAPER CURRENCY. (Fr. *Papier-monnaie convertible*, Ger. *konvertierbares Papiergeld*, Sp. *Papel moneda convertible*, It. *Carta monetata convertibile.*)

A paper currency is said to be convertible when the paper can be exchanged on demand for its full value in specie at the bank which issues it.

The advantages of a paper currency when convertible at any moment are:—

(1) Paper can be more securely conveyed from place to place than coin or bullion, and the cost is less.

(2) There is a saving in the wear and tear of coins.

(3) As paper money is numbered or otherwise marked, it is more easily recovered, if lost or stolen, than coins.

(4) The labour and the probable mistakes in counting are avoided.

(5) There is a saving in the cost of coining.

CONVERTIBLE SECURITIES. (Fr. *Valeurs convertibles*, Ger. *konvertierbare Papiere*, Sp. *Seguridades convertibles*, It. *Valori convertibili.*)

These are securities that are easily sold or converted into money. Such are consols, exchequer bills, railway stock, etc.

CONVEYANCING. (Fr. *Translation de propriété*, Ger. *Abtretung, Umschreibung*, Sp. *Traspaso ó traslacion de propiedad*, It. *Atto di cessione o alienazione.*)

This is the name given to that portion of the law which deals with the transfer of property from one person to another, and with the preparation of the documents and deeds which have reference to the same. The practice of conveyancing is concerned with the sale and purchase of interests in land, mortgages, leases, settlements, wills, partnership deeds, etc.

Before the passing of the Conveyancing Act, 1881, the law and practice connected with conveyancing was of an intricate and technical character, though much of its difficulty had been gradually removed during the fifty years preceding the passing of that Act. Formerly the work was in the hands of a special class of legal practitioners known as conveyancers. These have now almost disappeared, though a few barristers do still make a special study of the subject, and are employed in the drafting of important deeds. By statute, the work of conveyancing is practically limited to barristers and solicitors, unless the work is done by any person gratuitously. By section 44 of the Stamp Act, 1891, it is provided:—

" Every person who (not being a barrister, or a duly certificated solicitor, law

agent, writer to the signet, notary public, conveyancer, special pleader, or draftsman in equity), either directly or indirectly, for or in expectation of any fee, gain, or reward, draws or prepares any instrument relating to real or personal estate, or any proceeding in law or equity, shall incur a fine of fifty pounds.

"Provided as follows:—

(1) This section does not extend to—

(*a*) Any public officer drawing or preparing instruments in the course of his duty; or

(*b*) Any person employed merely to engross any instrument or proceeding.

(2) The expression 'instrument' in this section does not include—

(*a*) A will or other testamentary instrument; or

(*b*) An agreement under hand only; or

(*c*) A letter or power of attorney; or

(*d*) A transfer of stock containing no trust or limitation thereof."

This section is for the protection of the public; because, although the great difficulties have been removed, there still remain some intricate points in certain kinds of conveyancing with which no one but an expert can deal, particularly when the title to property is in question. As a solicitor is liable to pay damages to his client if he is proved to have been negligent in conducting any work entrusted to him, no one would think of permitting any person other than a solicitor to undertake conveyancing work in his behalf.

The scale of payments to be made for conveyancing are fixed by general orders issued under the provisions of the Solicitors Remuneration Act, 1881. These are, of course, subject to the terms of any special agreement as to charges made between the solicitor and his client.

COOPERAGE. (Fr. *Frais de tonnellerie*, Ger. *Küferlohn*, Sp. *Jornal de tonelero*, It. *Spese del bottaio.*)

This term is applied to the money paid to a cooper who attends on quays to repair casks, before or after shipment, or who opens them for sampling. Most dock companies have coopers of their own and make fixed charges according to the amount of work that is done.

CO-OPERATION. (Fr. *Coopération*, Ger. *Kooperation*, Sp. *Cooperación*, It. *Cooperazione.*)

The meaning of this word is "working together," though it has latterly acquired a technical meaning in commerce, being used to express the distinctive principles upon which certain trading associations, called Co-operative Societies, are formed. The main objects of these societies are:—

(1) To avoid the conflicting interests of capital and labour.

(2) To reduce the cost of distribution of commodities to a minimum.

(3) To dispense with middlemen.

(4) To avoid the losses incidental to trading upon a credit system.

(5) To provide pure and unadulterated goods.

The co-operative movement has made great strides in the last few years, and the number of societies is now more than 1,500 with a membership of over 2,500,000.

CO-PARTNERSHIP. (Fr. *Association, société en nom collectif*, Ger. *Teilhaberschaft*, Sp. *Sociedad, asociación en partes iguales*, It. *Compartecipazione, associazione.*)

This is the profit-sharing business scheme in which the employees are not only entitled to a share in the profits of the concern, but also to take part in its management.

COPEC. (See *Kopeck.*)

COPYHOLD. (Fr. *Tenure en vertu de copie du rôle de la cour seigneuriale*, Ger. *Zinslehen*, Sp. *Tenencia de tierras por censo ó por feudo*, It. *Proprietà fondiaria posseduta sotto certe condizioni.*)

This is an estate or right of holding land for which the holder, who is called the copyholder (Fr. *Tenancier par copyhold*, Ger. *Lassbesitzer*, Sp. *Enfiteuta, Censualista*, It. *Fittaiolo.*), can show no other title than the entry in the rolls of the manorial court made by the steward of the manor.

This tenure is of great antiquity. Originally the copyholders were nothing more than villeins, holding their lands at the will of the lord of the manor. But gradually they established a customary right to their estates, and copyholds are now but little distinguishable from freeholds, except that certain incidents are attached by custom, which vary with different manors, and the modes of conveyance and surrender are symbolical.

In Ireland there is no copyhold land, and the creation of copyhold tenure has been impossible in England since the reign of Edward I. Under certain conditions copyhold land may be enfranchised, and the holding turned into freehold, with all the incidents and customs of the manor destroyed.

When a copyholder becomes bankrupt

his trustee may either disclaim the land, or deal with it as if it had been surrendered, and convey it to any person he may appoint, who is to be admitted or otherwise invested without any intervening admission on the part of the trustee himself.

COPYING-PRESS. (Fr. *Presse à copier*, Ger. *Kopierpresse*, Sp. *Prensa para copiar*, It. *Macchina da copiare.*)

This is the name given to any contrivance by which copies of letters are taken.

COPYRIGHT. (Fr. *Droit d'auteur*, Ger. *Verlagsrecht*, Sp. *Derecho de autor*, It. *Diritto d'autore.*)

Copyright is the sole and exclusive liberty of printing or otherwise multiplying copies of an original work The work may be literary, artistic, or musical. If it is musical or dramatic, the copyright includes the sole and exclusive privilege of public performance of the same.

At common law there was no copyright in literary publications after publication, though there was before. The result was that if a person produced a work of imagination or reasoning, he could restrain another from publishing it, if by any chance that other happened to become acquainted with it, but if the author once gave it to the world he had no remedy against any one who chose to pirate it. Various statutes were passed to remedy this glaring injustice, but the whole were repealed and the law amended by the Copyright Act, 1842, which governed the copyright in books, and in dramatic pieces or musical compositions from that year up to 1912, when the Copyright Act, 1911, came into force.

Generally speaking, copyright subsists for the life of the author and a period of fifty years after his death; in photographs for fifty years from the making of the negative; but at any time after the expiration of twenty-five years, or, in the case in which copyright subsisted before the passing of the Act of 1911, thirty years from the death of the author of a published work, copyright in the work is not deemed to be infringed by the reproduction of the work for sale, if the person so reproducing proves that he has given notice in writing of his intention to reproduce the work, and that he has paid to, or for the benefit of, the owner of the copyright, royalties in respect of all copies of the work sold by him, calculated at the rate of 10 per cent. on the price at which he publishes the work.

If at any time after the death of the author of a literary, dramatic, or musical work, which has been published or performed in public, a complaint is made to the Judicial Committee of the Privy Council that the owner of the copyright in the work has refused to republish, or to allow the republication of the work, or the performance in public of the work, and that by reason of such refusal the work is withheld from the public, the owner of the copyright may be ordered to grant a licence to reproduce the work, or to perform the work in public, on such terms and subject to such conditions as the Judicial Committee thinks fit.

Copyright extends throughout the United Kingdom, and, subject to some qualifications, to all British possessions wherein the Copyright Act, 1911, has been adopted by the local legislature, or has been declared to be operative by an Order in Council. It is essential, in order that copyright should attach, that the subject matter, if a published work, was first published within such part of His Majesty's dominions as is subject to the law of copyright or, in the case of an unpublished work, that the author was, at the date of the making of the work, a British subject, or resident within such part of the King's dominions.

The owner of the copyright in any work may assign the right, either wholly or in part, and either generally or subject to limitations to any particular country, and either for the whole term of the copyright or for any part thereof, and may grant any interest in the right by licence, but no such assignment or grant will be valid unless it is in writing and signed by the owner of the right in respect of which the assignment or grant is made, or by his duly authorised agent.

There is no longer any necessity to register a work in order to be able to maintain an action for infringement of copyright, as was the case under the Act of 1842. Publication is a question of fact, and any unfair or improper copy of a work subjects the offender to an action for damages or to an injunction restraining him from continuing the offence. Proceedings may also be taken summarily in a police court, and the penalty inflicted, in case of conviction, will vary from 40*s*. to £50. No proceedings can be taken if more than three years have elapsed since the offence was first committed. The Act must be consulted as to what will not constitute an infringement of copyright.

The Act must also be consulted as

to the meaning of "literary, dramatic, musical, and artistic work."

The publisher of every book published in the United Kingdom must, within one month after the publication, send a copy to the British Museum, and, if required to do so within a year after publication, must also send copies to the Bodleian Library, Oxford; the University Library, Cambridge; the Library of the Faculty of Advocates, Edinburgh; the Library of Trinity College, Dublin; and, with some possible exceptions, the National Library of Wales. The penalty for non-observance is a fine not exceeding £5, and the value of the book.

The Customs Laws Consolidation Act was passed in 1876 to prohibit the importation into the United Kingdom of books "wherein the copyright shall be first subsisting, first composed, or written or printed in the United Kingdom, or printed or reprinted in any other country, as to which the proprietor of such copyright or his agent shall have given to the Commissioners of Customs a notice in writing, duly declared that such copyright subsists, such notice also stating when such copyright will expire." Lists of all such books are exposed at the custom houses in the chief ports of the kingdom, and the Commissioners have full power to confiscate, destroy, or otherwise dispose of all books imported contrary to the above section of the statute. This provision of the Act of 1876 is substantially reproduced in section 14 of the Act of 1911.

Efforts have been made at various times to give British authors protection in foreign countries for their works, and to foreign authors for works published and circulated in this country. At the Berne Convention, held in 1908, certain resolutions were passed, and the provisions in the Act of 1911 dealing with international copyright are largely the outcome of these resolutions, and now, by an Order in Council, provision may be made for the mutual protection of authors between this country and the country mentioned in the Order, so that they may obtain full rights outside their own territories. The United States was not a party to the Berne Convention, and special rules must be regarded if copyright is to be obtained in the American Republic. The work must be published simultaneously in the country of origin and in the United States, the production in the latter country being from type set up or manufactured there. There are also certain requirements as to registration which must be complied with. These points can only be ascertained by engaging an expert agent to conduct and to carry through the whole work of publication.

The open sale of pirated musical works, that is, musical works written, printed, or otherwise produced without the consent of the owner of the copyright, and the small chance of any proper redress against the infringers, led to the passing of the Musical (Summary Proceedings) Copyright A[illegible]t, which came into force on July 22, 1902. Under the Act a court of summary jurisdiction, upon the application of the owner of the copyright in any musical work, may act as follows: If satisfied by evidence that there is reasonable ground for believing that pirated copies of such musical work are being hawked, carried about, sold or offered for sale, the court may, by order, authorise a constable to seize such copies without warrant and to bring [illegible] proof [illegible] copies [illegible] order may be made fo[illegible]ion or delivery up to the owner of th[illegible] copyright, if he applies for such d[illegible]livery. Further, if any person hawks, carries about, sells, or offers for sale any pirated copy of any musical work, every such pirated copy may be seized by any constable without warrant, on the request in writing of the apparent owner of the copyright in such work, or of his agent thereto authorised in writing, and at the risk of such owner. On seizure of any such copies they shall be conveyed by such constable before a court of summary jurisdiction, and, on proof that they are infringements of copyright, shall be forfeited or destroyed, or otherwise dealt with as the court may think fit. This Act has been rendered more effective by another Act passed in 1906. These two Acts are now incorporated in the Act of 1911.

CORDAGE. (Fr. *Cordage*, Ger. *Tauwerk*, Sp. *Cordaje*, It. *Cordame, sartiame.*)

This is a general term for cords or ropes.

CO-RESPONDENT. (Fr. *Codéfendeur*, Ger. *Mitangeklagter*, Sp. *Coparecíente*, It. *Coimputato.*)

The defendant in any legal proceedings is often known as the respondent, and if there is a joint respondent, he is generally designated the co-respondent.

CORNER. (Fr. *Accaparement, corner*, Ger. *Corner, Kneife, Ring*, Sp. *Acaparamiento, corner*, It. *Accaparramento, corner.*)

This word is of American origin, and

signifies the operations of a speculator or syndicate of speculators, by means of which the whole or the greater portion of a certain marketable commodity is drawn into the hands of the speculators, who are then in a position to dominate the market and fix their own prices. The process is not a difficult one, provided the speculators have sufficient capital at their disposal to buy up all possible supplies. Some corners have proved very successful, whilst others have been disastrous failures.

The principle of cornering is the same on the Stock Exchange. The promoters of a corner get into their hands the bulk of the shares issued by a certain company, and are then able to name their own prices before they will part with any of them. The "bears" are cornered when the securities they have sold are only obtainable from the persons to whom they have sold, who demand delivery, and are prepared to take up the securities purchased. There is often a combination on the part of "bulls" to buy up all the shares which the "bears" are selling, so that when these latter begin to cover, they have to pay a higher price than that at which they have sold. The "bulls" are then said to be "squeezing the bears." But if the "bulls" refuse to sell and demand delivery of the shares which they have purchased, the "bears" are said to be "cornered."

CORPORATION. (Fr. *Corporation*, Ger. *Korporation*, Sp. *Corporación*, It. *Corporazione, maestranza.*)

A corporation is an artificial person created by the law and endowed by it with the capacity of perpetual succession. It consists of collective bodies of men or of single individuals; the first are called corporations aggregate, the second corporations sole. The existence of a corporation is constantly maintained by the succession of new individuals in the places of those who die or are removed.

A corporation is considered as a distinct individual from the persons composing it. It is not the members who compose it, but the property of the corporation which is liable for its debts. The members may, however, be compelled to contribute to its assets.

It is the creation of an Act of Parliament, or of a charter of incorporation granted by the Crown. In addition to its peculiarity of perpetual succession, it possesses a distinctive name and a common seal.

In every Act of Parliament the term "person" includes any corporation, unless there is a declaration to the contrary.

The capacity of a corporation to contract is subject to certain limitations. (See *Contract.*)

COST AND FREIGHT. (C. & F.) (Fr. *Coût et fret*, Ger. *Kost und Fracht*, Sp. *Costo y flete*, It. *Spesa di costo e nolo.*)

Goods which are sold under this arrangement are not insured, but the price includes cost and freight only.

COST BOOK PRINCIPLE. (Fr. *Principe du livre des charges*, Ger. *Kostenbuchprinzip*, Sp. *Principio del libro de costos*, It. *Principio del libro dei costi.*)

This is the plan used in conducting mines in some parts of the country. The receipts and expenditure are kept closely posted, and the books are frequently balanced for the purpose of distributing profits, or of raising further capital, as the case may be, a meeting of those interested being called at stated intervals for that purpose. The shareholders in mines conducted on the cost book principle are usually entitled to withdraw from the concern at any time they please, provided they have paid up their proportion of the existing liabilities. When this has been done the names are struck off the book.

COST, FREIGHT, AND INSURANCE. (C.F.I., or more generally C.I.F.) (Fr. *Coût, fret, et assurance*, Ger. *Kost, Fracht, und Assekuranz*, Sp. *Costo, flete, y seguro*, It. *Costo, nolo, e assicurazione.*)

This is the price charged for goods when insurance is added to cost and freight.

COSTING. (Fr. *Trouver le coût*, Ger. *Den Kostenpreis herausziehen*, Sp. *Hallar el costo*, It. *Trovare il costo.*)

This is a method of arriving at the cost of an article or a piece of work by analysing and apportioning the amount spent on wages, material expenses, etc.

COULISSE. (Fr. *Coulisse, petite bourse*, Ger. *Coulisse*, Sp. *Bolsin*, It. *Coulisse, borsa non autorizzata.*)

The unofficial market on the Paris Bourse, consisting in the main of high-class firms and arbitrage houses is known by this name. It is a much larger organisation than the *agents de change*, or official members in the Parquet, but it is less responsible. The members are called "Coulissiers."

COUNCIL DRAFTS. (Fr. *Traites indiennes*, Ger. *indische Schatzscheine*, Sp. *Pagarés del gobierno*, It. *Tratte indiane.*)

Council drafts are drafts issued by the English Government upon the Indian Government, and payable at the banks of India. They are issued to prevent the frequent transmission of bullion from the one country to the other.

COUNTERCLAIM. (Fr. *Prétention opposée*, Ger. *Gegenforderung*, Sp. *Reclamo opuesto*, It. *Contropretesa.*)

In any action at law a defendant may not only rely upon any defence which he has to the plaintiff's claim, but may also set up any claim which he himself has against the plaintiff. This is known as a counterclaim. It is altogether independent of the original action, and need have nothing whatever to do with it, and it is to be carefully distinguished from a set-off (*q.v.*), which depends upon the claim and is urged in diminution of the same. If a defendant succeeds in his counterclaim, he is awarded the costs thereof, just as though he had brought a separate action, no matter what may be the fate of the original action.

COUNTERFEIT COIN. (Fr. *Fausses monnaies*, Ger. *falsches Geld*, Sp. *Monedas falsas*, It. *Moneta falsa.*)

This is the general name for all coins purporting to be coins of the realm, but which have not been issued by the Government.

COUNTERFOIL. (Fr. *Souche, coupon*, Ger. *Abschnitt, Gegenstück, Koupon*, Sp. *Contrahoja, matriz, talón*, It. *Cedoletta, stacco.*)

This is the detachable tally or memorandum to share certificates, cheques, passports, etc., containing a record of the issue of such certificates, cheques, or passports, and retained by the person issuing those documents.

COUNTING-HOUSE. (Fr. *Bureau, comptoir*, Ger. *Kontor*, Sp. *Oficina, escritorio*, It. *Ufficio, scrittoio.*)

The name of the house or room specially appropriated by merchants, traders, and manufacturers to the purpose of keeping their books, accounts, letters, and papers.

COUNTRY CLEARING. (Fr. *Virement*, Ger. *Abrechnung der Provinzbanken*, Sp. *Oficina de liquidación de provincias*, It. *Liquidazione di partite delle banche di provincia.*)

This is the system by which a country banker sends all cheques and drafts paid into his bank to his London agent for the purpose of collection, instead of sending each cheque or draft to the particular bank upon which it is drawn. (See *Bankers' Clearing House.*)

COUNTRY NOTES. (Fr. *Billets de banque de province*, Ger. *Banknoten der Provinzialbanken*, Sp. *Billetes de banco de provincia*, It. *Assegni vaglia, biglietti di banca di provincia.*)

Country notes are bank notes payable on demand, issued by any bank of issue, except the Bank of England.

COUPON. (Fr. *Coupon*, Ger. *Koupon*, Sp. *Cupón*, It. *Tagliando, cedola.*)

This is a cheque, or other piece of paper, cut off from its counterpart. It is derived from the French, *couper*, to cut. In a special sense coupons are warrants for interest payable on debentures, bearer securities, etc. They are attached in a sheet to the bonds, cut off as they fall due, half-yearly or at other intervals, and presented at the place indicated for payment.

COUPON SHEET. (Fr. *Feuille de coupons*, Ger. *Kouponsbogen*, Sp. *Lámina de cupones*, It. *Foglio di tagliandi, foglio di cedole.*)

A coupon sheet is a connected series of coupons given in advance with transferable bonds, in order that they may be cut off from time to time and presented for payment as the dividends fall due. The last portion of a coupon sheet is a form of certificate, called a "talon," which can be exchanged for a further series of coupons as soon as those on the coupon sheet have all been presented.

COURSE OF EXCHANGE. (See *Rate of Exchange.*)

COVER. (Fr. *Couverture*, Ger. *Deckung*, Sp. *Depósito*, It. *Deposito, caparra.*)

This is a deposit of money or marketable securities, such as bonds, scrip, certificates, etc., with a lender as a security for a loan, generally with a margin in value, to insure him against the risk of loss in the event of the default of the borrower. The term is most commonly applied to the deposit required by stockbrokers before entering into speculative transactions on behalf of a client. It is sometimes called "margin."

COVERING NOTE. (Fr. *Note en couverture, garantie*, Ger. *Deckungszettel, Garantie*, Sp. *Nota para cubrir, garantía*, It. *Nota per coprire, garanzia.*)

This is a form used by insurance companies undertaking to indemnify the insured should any damage happen between the time of the arrangement of the insurance and the issue of the policy.

COWRY. (Fr. *Cauris*, Ger. *Kauri*, Sp. *Moreta*, It. *Cauri, coury.*)

In the East Indies, and in many parts of Africa, the shells of one of the species *C. moreta*, about an inch long

7A—(1420)

are used as a substitute for coin, the value in India being about one-thirty-sixth of a farthing. These are called "cowry shells"

CRANAGE. (Fr. *Droits de grue*, Ger. *Krangeld*, Sp. *Derechos de grua, ó pescante*, It. *Diritti d' argano.*)

Cranage is the charge made at certain seaports for the hire of a crane when used for loading or unloading such goods from a ship as are too heavy for the ordinary tackle on board, or a charge made by dock companies for using their cranes for any purpose whatever.

CREDIT. (Fr. *Crédit*, Ger. *Kredit*, Sp. *Crédito*, It. *Credito.*)

In Political Economy, credit is the lending of wealth or capital by one individual to another, the lender being said to give, and the borrower to receive, credit.

In banking a credit is an entry in a banker's books, showing that a customer has a deposit, or deposits, with the banker.

In book-keeping a credit is an entry on the right-hand side of a ledger account, and to "credit" an account is to make an entry on that side.

In commerce credit generally means that a bargain has been agreed upon between two parties, one of whom, the seller, hands over certain goods to the other, the buyer, conditionally upon receiving his promise to pay in a certain definite time. At the end of this specified time, the seller becomes the creditor, and the buyer the debtor, if the money is not paid; and the former has a right of action against the latter which he can put into force. Credit has hence been defined as a "right of action against a person for a sum of money."

CREDIT FONCIER. (Fr *Crédit foncier*, Ger. *Bodenkreditanstalt*, Sp. *Credit foncier*, It. *Credito fondiario.*)

The meaning of this term is "credit on lands." The Credit Foncier is an institution in France, established in 1852, the object of which is to supply landed proprietors with the means of carrying out improvements by granting them loans of money on the security of their lands, to be repaid by equal instalments, so as to extinguish the debt within a certain period. On this principle certain societies have been formed in France, subject to certain conditions, and endowed with certain privileges. Their regulations are precisely defined by law, and they are not allowed to advance more than half the value of the property pledged or hypothecated. Similar companies had been established in Hamburg in 1782, and in Western Prussia in 1787.

CREDIT INDUSTRIEL. (Fr. *Crédit industriel*, Ger. *Kreditverein*, Sp. *Crédito industrial*, It. *Credito industriale.*)

This commercial society was established at Paris, in 1858, for the purpose of making advances, for a limited period, to persons engaged in industrial pursuits on goods, shares, bills, bonds, etc., to the extent of two-thirds of their marketable value. The liability of the shareholders is limited to the amount of their shares. The capital is 60,000,000 francs (£2,400,000), divided into 120,000 shares of 500 francs each.

CREDIT, LETTER OF. (Fr. *Lettre de crédit*, Ger. *Kreditbrief*, Sp. *Carta de crédito*, It. *Lettera di credito.*)

In banking this is a letter addressed by one person or firm to another, requesting the latter to pay to a third person the amount named in it, and debit it to the account between the parties, or draw on the first party for the amount.

A Circular Letter of Credit is one addressed to several bankers or merchants residing at different places.

CREDIT MOBILIER, SOCIÉTÉ GÉNÉRALE. (Fr. *Crédit mobilier*, Ger. *Mobiliarbank*, Sp. *Crédito mobiliario*, It. *Società generale di credito mobiliare.*)

This society was established in France in 1852, upon the principle of limited liability. The capital was fixed at 60,000,000 francs (£2,400,000), divided into shares of 500 francs each. The operations of the society are directed principally into three fields:—

(1) To aid the progress of public works, and promote the development of national industry—making railways, managing gas companies, etc.

(2) For the buying up of shares and bonds of existing societies and companies, for the purpose of consolidating them into one common stock.

(3) For the transaction of general banking and brokerage operations.

The funds for the carrying out of these diverse operations are the capital of the company, and the deposits received by the society from the public.

CREDIT NOTE. (Fr. *Note de crédit*, Ger. *Kreditnote*, Sp. *Nota de crédito*, It. *Nota di credito.*)

A credit note is a document similar in form to an invoice, which is an advice, acknowledgment, or admission of indebtedness by a debtor to his creditor. The

term is used in the commercial world in connection with the note of allowance made by a seller in respect of goods returned, short weight, reduction of price, packages, etc.

CREDITOR. (Fr. *Créancier*, Ger. *Gläubiger*, Sp. *Acreedor*, It. *Creditore*.)

This is a person who gives credit to another, or believes or trusts in him. Commercially the term denotes a person to whom a sum of money is due.

CREDIT SALES. (Fr. *Ventes de crédit*, Ger. *Verkäufe auf Kredit*, Sp. *Ventas á crédito*, It. *Vendite a credito*.)

These are sales for which the time of payment is postponed. The purchaser is entered in the vendor's books as a debtor, and the price of the goods is a book debt.

CROSSED CHEQUE. (Fr. *Chèque barré*, Ger. *gekreuzter Check*, Sp. *Cheque cruzado*, It. *Cheque sbarrato*.)

This is a cheque which is crossed on the face of it by two parallel transverse lines, with or without the words "and Co." Such a cheque can only be paid legally through a banker. (See *Cheque*.)

CUM DIVIDEND. (Fr. *Dividende compris*, Ger. *inklusive Dividende*, Sp. *Dividendo incluso*, It. *Col dividendo*.)

The meaning of this phrase is "with the dividend," that is, the dividend which is due or accruing. When stock or shares are thus sold the buyer takes the benefit of the dividend that has to be distributed. When they are sold "ex div.," the seller disposes of the securities but retains the dividend upon them for himself.

CUM DRAWING. (Fr. *Tirage compris*, Ger. *inklusive Ziehung*, Sp. *Obligaciones con sorteo*, It. *L'estrazione compresa*.)

This term is used when bonds are dealt in at or near the time when a drawing takes place. It means that the securities are sold with any benefits that may arise from the drawing, and if the bonds are drawn for repayment at par, or at a premium, the buyer receives the profit.

CUM NEW. (Fr. *Nouvelle émission comprise*, Ger. *mit Bezugsrecht auf junge Aktien*, Sp. *Nueva emisión inclusa*, It. *Col nuovo, la nuova emissione compresa*.)

This signifies the right to claim any new shares or new issues of stock about to be issued in virtue of present holdings. Joint-stock companies, when increasing their capital, sometimes offer a number of new shares to each of the existing proprietors, and as such shares usually command a premium in the open market, shareholders often sell their right to the allotment by signing a letter of renunciation in the buyer's favour, by which means the former would secure the premium on the new shares without incurring any liability with respect to them. The original shares, if dealt in about that time, and sold with the right to claim the allotment of the new shares, would be quoted "cum new."

CUMULATIVE PREFERENCE STOCK AND SHARES. (Fr. *Actions privilégiées cumulatives*, Ger. *Aktien mit hinzugefügten Dividenden*, Sp. *Valores cumulativos de priorid~d*, It. *Azioni e titoli cumulativi privilegiati*.)

These are securities upon which, if the guaranteed dividend cannot be paid in any one year, or any series of years, the dividend accumulates until it can be paid. Such accumulated dividend is entitled to payment before any dividend is paid either on the preference or ordinary shares in any succeeding year, the revenue for any year being first applied to payment of dividend for the current year, and then to payment of the arrears.

CURRENCY. (Fr. *Monnaie légale, monnaie circulante*, Ger. *Kurantgeld, umlaufende Münze*, Sp. *Moneda legal, moneda circulante*. It. *Moneta circolante*.)

This is the circulating medium of a country, by means of which sales and purchases are effected without having recourse to barter. Among civilised nations the precious metals, especially gold and silver, have come generally to be employed. As trade advanced, however, and commercial transactions became larger and more frequent, metal money was found to be inconvenient, and recourse was had to a paper currency. Also, in great national crises, paper frequently takes the place of a metallic coinage. Thus, after the beginning of the Great War, one pound and ten shilling notes became legal tender in the British Isles instead of gold and silver. It is possible also, owing to the high price of silver, that five-shilling notes may be issued, and that nickel coins will take the place of silver ones.

The authorised coinage of the United Kingdom consists of the following coins. Some are only issued on special occasions.

Coins.	Standard Weight. Grains.	Least Current Weight. Grains.	Remedy of Weight. Grains.
Gold:—			
Five Pound	616·37239	612·500	1·000
Two Pound	246·54895	245·000	0·400
Pound .	123·27447	122·500	0·200
Half-Sov.	61·63723	61·125	0·150

Coins.	Standard Weight. Grains.	Least Current Weight. Grains.	Remedy of Weight. Grains.
Silver:—			
Crown . .	436·36363	—	2·000
Dble. Florin	349·09090	—	1·678
Half-Crown	218·18181	—	1·264
Florin .	174·54545	—	0·997
Shilling .	87·27272	—	0.578
Sixpence .	43·63636	—	0·346
Groat or 4*d*.	29·09090	—	0·262
Threepence	21·81818	—	0.212
Twopence	14·54545	—	0·144
Penny .	7·27272	—	0·087
Bronze:—			
Penny .	145·83333	—	2·91666
Halfpenny .	87·50000	—	1·75000
Farthing .	43·75000	—	0·87500

The remedy of weight is the amount of variation allowed in the fineness and weight of the coins when they are first issued from the Mint.

Standard gold contains eleven-twelfths of fine metal and one-twelfth of alloy, i.e., 22 carats fine, with 2 carats of alloy. Its fineness is represented by 916·6. Twenty troy pounds of standard gold are coined into 934 sovereigns and one half-sovereign, and one troy ounce is intrinsically worth £3 17*s*. 10½*d*. One ounce of pure gold is of the value of £4 4*s*. 11⅜*d*.

Standard silver consists of thirty-seven parts of pure silver, and three parts of alloy. Its fineness is represented by 925. One troy pound of standard silver is coined into 66 shillings.

Bronze is an alloy composed of ninety-five parts of copper, four parts of tin, and one part of zinc. (See *Par of Exchange*, *Tender*.)

CURRENCY BONDS. (Fr. *Bons américains*, Ger. *amerikanische Obligationen*, Sp. *Bonos americanos*, It. *Obbligazioni americane*.)

These are bonds which are issued by various American railway companies, the principal and interest being payable in the United States currency, that is, it is optional whether the bonds are paid in paper, silver, or gold.

CURRENCY OF A BILL. (Fr. *Temps à courir*, Ger. *Laufzeit eines Wechsels*, Sp. *Transcurso de una letra*, It. *Decorrenza di una cambiale*.)

The period between the date upon which a bill is drawn and that upon which it becomes due is known as the currency of a bill. When a bill is payable after sight the currency begins from the date of acceptance; when drawn after date, from the date of the bill.

CURRENT ACCOUNT. (Fr. *Compte courant*, Ger. *Kontokorrent*, Sp. *Cuenta corriente*, It. *Conto corrente*.)

This term is used in banking to signify the amount of money lodged by a person at a bank, which can be withdrawn or added to at any time, with or without interest.

CUSTOM. This word is used in two senses:—

1. (Fr. *Achalandage*, Ger. *Kundschaft*, Sp. *Parroquia*, It. *Clientela*), the turnover or trade of a business or concern, or the persons who regularly deal with the same.

2. (Fr. *Coutume*, *usage*, Ger. *Gebrauch*, *Gewohnheit*, *Herkommen*, Sp. *Costumbre*, *uso*, It. *Uso*), the undisputed usage which has the effect of unwritten law being observed universally in a trade or business, or other vocation.

CUSTOM HOUSE. (Fr. *Douane*, Ger. *Zollamt*, *Zollhaus*, Sp. *Aduana*, It. *Dogana*, *ufficio doganale*.)

This is the place appointed by the Government for the imposition and collection of duties upon the importation or exportation of certain commodities.

CUSTOM OF TRADE. (Fr. *Usage commercial*, Ger. *Kaufmannsbrauch*, Sp. *Costumbre del comercio*, It. *Uso commerciale*.)

This is a usage or custom which is universally recognised and understood as being established with respect to any particular trade.

CUSTOMS BILLS OF ENTRY. (Fr. *Reports maritimes*, Ger. *tägliche Berichte der Zollbehörde*, Sp. *Declaraciones de aduana*, It. *Listini doganali*, *bollettini marittimi di importazione ed esportazione*.)

These are the daily lists issued by the Customs authorities (to merchants and others subscribing), containing a summary of British shipping, useful for general information.

Bill "A" shows the ships' reports inwards, and contains a full list of the cargo in each of the different boats, classed under the various ports at which the vessels have arrived.

Bill "B" shows the exports, imports, and general shipping in the country. It gives a full list of all exported and imported goods, classed under their different headings, and enumerates the various ships arrived, those loading, and those leaving port.

CUSTOMS DEBENTURE. (Fr. *Certificat de prime*, Ger. *Rückzoll*, Sp. *Certificado de obligación hipotecaria*, It. *Certificato di obbligazione ipotecario*.)

This is a certificate issued by the

officers of customs that certain goods entitled to drawback have been entered and shipped for exportation. On it the exporter declares, in the presence of the official through whom the money is paid, that the goods have been actually shipped and are not intended to be relanded in the United Kingdom, and that he is entitled to the drawback claimed.

CUSTOMS DECLARATION. Fr. *Déclaration en douane,* Ger. *Zollinhalts-Erklärung,* Sp. *Declaración de aduana,* It. *Dichiarazione doganale.*)

The sender of every parcel by post to or from the Channel Islands, any British dominion or colony, or any foreign country, is required to make out a Customs Declaration on a prescribed form. This form must contain an accurate statement of the nature and value of the contents of the parcel, the date of postage and the net weight of the articles contained in the parcel. If the parcel is destined to the continent of Europe, the Customs Declaration should be filled up in French and English, and accompanied by a Despatch Note.

CUSTOMS ENTRY. (Fr. *Déclaration à l'entrée,* Ger. *Zolldeklaration,* Sp. *Declaración de entrada,* It. *Dazio d'entrata.*)

This is a list given to the Customs authorities by the importer or shipper, showing the weight, value, and description of goods to be landed or shipped. (See *Entry.*)

CUSTOMS AND EXCISE DUTIES. (Fr. *Droits de douane et droits d'accise,* Ger. *Zölle und Steuern,* Sp. *Derechos de aduana y sisa,* It. *Dazi di dogana e di consumo.*)

The duties or taxes imposed upon goods entering the country are called "customs duties," while those imposed upon goods at the time of their manufacture in the country are known as "excise duties." Both form important parts of the national revenue, and are levied by Boards of Customs and Excise, each having a small army of officers to impose and collect the duties, while a custom house is to be found in every important seaport.

Customs and excise duties fall, in the first instance, on the merchant and manufacturer, but as they increase the prices of commodities, they are ultimately paid by the consumer.

For the accommodation of merchants there are large storehouses and vaults established at various parts of the country, called bonded warehouses, where goods subject to duty are allowed to remain until it is found convenient to remove them and pay the duties. Until they are removed, therefore, goods in bond, as they are called, can hardly be said to be imported, being in the same condition as goods lying in a foreign port. (See *Warehousing System.*)

CUSTOMS TARIFF. (Fr. *Tarif de douane,* Ger. *Zolltarif,* Sp. *Arancel aduanero,* It. *Tariffa dei dazi di dogana.*)

This is the list of the various articles that are liable to pay duty on importation. In the year 1840 over a thousand articles paid customs duties in this country. The number has been gradually reduced, so that there are not more than about fifty on the list at the present time. These are liable to variation and alteration by Act of Parliament whenever the state of the Exchequer is such as to demand or to permit of a change being made.

The chief of the articles upon which duties are charged are imported beers, playing cards, chicory, chloroform and similar spirits, cocoa, coffee, collodion, ethers, dried fruits, methylic alcohol (purified), naphtha (purified), spirits, liqueurs and cordials, tea, tobacco, cigars and snuff, varnish, wines.

No doubt there will be great changes in customs tariffs after the war.

CUTTING. (Fr. *Coupure, surpasser en prix,* Ger. *Abschnitt, uberflügeln,* Sp. *Recorte, sobrepijar en precio,* It. *Ritaglio, sorpassare in prezzo.*)

This is a term which is used to indicate the reduction of a price to an unusual limit, with the object of underselling competitors.

D. This letter occurs in the following abbreviations:—

D/B, Day-book.
Dbk., Drawback.
d/d, Day's Date.
Dft., Draft.
Dis., Discount.
Div., Dividend.
Dr., Debtor.
d/s, Days' Sight.

DANDY NOTE. (Fr. *Ordre de livraison,* Ger. *Lieferungsschein,* Sp. *Orden de entrega,* It. *Mandato, ordine di consegna.*)

This is a delivery order from the custom house, requesting the warehouse officer to deliver to the searcher certain bonded or drawback goods named therein when they are required for exportation or ship's stores. The document is filled in by the exporter, and then passed at

the office of the Comptroller of Accounts. A "pricking note" is generally combined with a dandy note, the former serving as a shipping order for goods.

DATING FORWARD. (Fr. *Dater plus tard*, Ger. *später datieren*, Sp. *Poner fecha mas tarde*, It. *Datare più tardi*.)

Dating forward is the practice adopted in some cases of dating invoices a considerable time in advance of the date upon which the goods are delivered.

DAY BOOK. (Fr. *Journal*, Ger. *Tagebuch*, Sp. *Diario*, It. *Giornale*.)

This name is often applied, though incorrectly, to the Waste Book, as being a record of the daily transactions of a business. In book-keeping it means the Sales Book, wherein are entered the sales on credit in chronological order. The Invoice Book, or that book in which credit purchases are recorded, is also sometimes called a Day Book.

DAY TO DAY LOANS. (Fr. *Emprunts de jour en jour*, Ger. *Geld auf tägliche Kündigung*, Sp. *Préstamos de dia en dia*, It. *Prestiti di giorno in giorno*.)

These loans consist of sums of money borrowed by bill-brokers, stock-brokers, and others at a fixed rate of interest for a single day, but the amounts may be renewed from day to day if both borrower and lender agree to continue the loan. These loans are sometimes referred to as "Day to Day Accommodations."

DAYS OF GRACE. (Fr. *Jours de grâce*, Ger. *Fristtage, Respekttage*, Sp. *Dias de gracia*, It. *Giorni di grazia*.)

This phrase is used in two senses :—

(1) The time of indulgence allowed to an acceptor for payment of a bill of exchange, or of a promissory note. No bill of exchange or promissory note, except those payable on demand or at sight, or unless it is specially stated on the bill or the promissory note that there are to be no days of grace allowed, is really payable in the United Kingdom until three days after its due date. (See *Bill of Exchange*.)

Where a bill is drawn in one country and is payable in another, the date of payment is calculated according to the law of the country in which the bill is payable. If, therefore, an English bill is payable in a country which does not allow days of grace, the date of payment is fixed by the instrument, but if a foreign bill is payable in England, three days of grace are allowed, unless it is a bill of the class which does not allow days of grace.

(2) The time of indulgence allowed for the payment of insurance premiums after they have become due.

DEAD ACCOUNT. (Fr. *Compte fictif*, Ger. *Konto eines Toten, Sachkonto*, Sp. *Cuenta imaginaria*, It. *Conto fittizio*.)

In banking, this is a term used to denote the money, stock, or other securities standing to the credit of a person deceased. In book-keeping, it is an account which deals with things as distinguished from persons, such as petty cash account, charges account, goods account, etc.

DEAD FREIGHT. (Fr. *Faux fret*, Ger. *Fautefracht, Ballastladung*, Sp. *Flete muerto*, It. *Nolo falso, nolo morto*.)

Dead freight is the sum paid for the empty space in a ship by a person who engages to load the vessel, but fails to make up a full cargo.

DEAD LETTER. (Fr. *Lettre mise au rebut, lettre retournée, lettre morte*, Ger. *unbestellbarer Brief*, Sp. *Carta rehusada*, It. *Lettera giacente, lettera non reclamata*.)

This is an undelivered and unclaimed letter, or one which has lost its force by lapse of time.

DEAD LETTER OFFICE. (Fr. *Bureau des rebuts*, Ger. *Abteilung für unbestellbare Briefe*, Sp. *Oficina de cartas detenidas*, It. *Ufficio della corrispondenza non reclamata*.)

The place which is known under this name is the department of the General Post Office, situated at Mount Pleasant, London, E.C., where undelivered letters are opened and returned to the senders, or otherwise disposed of.

DEAD LIGHT. (Fr. *Faux mantelet (de sabord)*, Ger. *Blenden der Käjutenfenster*, Sp. *Tapa de refuerzo*, It. *Imposta che chiude l'apertura della cannoniera*.)

This is the name that is given to the iron shutter which covers the port-hole of a ship.

DEAD LOANS. (Fr. *Emprunts irrécouvrables*, Ger. *tote Anleihen*, Sp. *Préstamos indefinidos*, It. *Prestiti indefiniti*.)

These are loans which have not been paid at the time agreed upon, or loans for which there is no specified time for payment.

DEAD RECKONING. (Fr. *Estime*, Ger. *Gissung*, Sp. *Estimación*, It. *Calcolo approssimativo*.)

This is the calculation made of a ship's position by means of the compass and log line—the former serving to point out the course on which the vessel sails, the latter the actual distance run. By making proper allowances for the variations of the compass, currents, etc., it is

possible to ascertain the position fairly well in any part of the world, without any observations of the sun or stars.

DEAD SECURITY. (Fr. *Mobilier mort*, Ger. *tote Sicherheit*, Sp. *Bienes sin valor, adelantos especulativos*, It. *Cauzione senza valore, sostanze materiali infruttifere.*)

This is an expression given by financiers to collieries, mills, manufactories, landed property, mines, machinery, and such properties which are worthless as a security unless they are worked.

DEAD WEIGHT. (Fr. *Poids mort*, Ger. *Schwergewicht*, Sp. *Peso muerto*, It. *Peso morto.*)

The dead weight is that portion of a ship's cargo which pays according to its weight, and not according to measurement, as coal, iron, etc. All vessels must carry a certain portion of dead weight either as cargo or as ballast to insure their stability.

DEALER. (Fr. *Marchand*, Ger. *Kaufmann*, Sp. *Tratante, comerciante*, It. *Mercante, commerciante.*)

A dealer is a person who deals on his own account and takes the risk of a market going against him when buying from, or selling to, other persons.

DEAR MONEY. (Fr. *Cherté de l'argent*, Ger. *Geldknappheit*, Sp. *Dinero escaso, dinero caro*, It. *Danaro o capitali scarsi.*)

Money is said to be dear when the floating supply of gold is scarce, and advances cannot be obtained, even on good securities, except at a high rate of interest, owing to the pressure in the money market, or a high bank rate.

DEATH DUTIES. (See *Estate Duty, Legacy and Succession Duty.*)

DEBENTURE. This word is used in two senses:—

(1) (Fr. *Certificat de prime*, Ger. *Rückzollschein*, Sp. *Tornaguia*, It. *Polizza di restituzione del dazio.*)

This is the name of the certificate given by the Custom House to the exporter of excisable goods, entitling him to receive drawback (*q.v.*).

(2) (Fr. *Obligation*, Ger. *Schuldschein, Obligation*, Sp. *Obligación*, It. *Obbligazione.*)

In its secondary sense the term "debenture" means a security given by a joint-stock company for money raised in addition to the capital subscribed by the shareholders. In form it is a charge or mortgage upon the undertaking or property of the company, bearing a fixed rate of interest, and either repayable within a fixed term of years or irredeemable during the existence of the company. A person to whom the interest and the principal money are secured is called a debenture-holder.

The above is what is commonly understood by the use of the word, but in common language "debenture" has acquired a much wider meaning. The absence of a precise definition has been judicially commented upon. Debenture has been applied to describe such an instrument as a railway mortgage or bond, and also a personal security, e.g., the Tichborne Bonds. The last-named, however, can have little or nothing in common with a debenture secured by mortgage, either from the point of value or from the point of the legal rights and remedies available to the debenture-holder.

Debenture is sometimes distinguished from debenture stock. In reality the holders of each stand very much in the same position. The difference is mainly in the mode of transfer. Ordinarily debenture bonds are only transferable in their entirety; debenture stock may be transferred in whole or in part, provided that such part does not involve a fraction of a stated amount. Stock is frequently made transferable in multiples of £10. There are also other peculiarities of transfer, the object being to secure identification.

There are many varieties of debentures, but two broad divisions stand out prominently:—

(*a*) Mortgage debentures, which give a charge upon the whole or a portion of the assets of the company;

(*b*) Debentures which give no such charge, and merely amount to a promise to pay on the part of the company. The former are much more common than the latter. Another classification is as follows:—

(*a*) Debentures payable to a registered holder.

(*b*) Debentures payable to bearer simply.

(*c*) Debentures payable to a registered holder, but with interest coupons payable to bearer.

(*d*) Debentures payable to bearer, but with power for the bearer to have them placed on a register and to have them at any time withdrawn therefrom. The first and third classes are generally known as "registered debentures," the second and fourth as "debentures to bearer." It has been held by the courts, in two well-known cases, that

debentures to bearer of limited companies are negotiable instruments in the full sense of the term, by the general custom of merchants.

The document which is the security of the debenture-holder sets out the terms of the contract entered into between the parties, and the conditions are invariably indorsed upon it. The precise form will depend upon the nature of the business carried on by the company, and the peculiar circumstances of the case.

Registered debentures are expressed to be payable to the registered holders of the same. If any change of ownership is to take place, they must be transferred as shares or stock, and the instrument of transfer must also be registered with the company. Debentures to bearer are payable to the bearer thereof, and are transferable by delivery. No holder is registered, and therefore the transfer stamp duty is avoided. But, on issue, debentures to bearer must be stamped at the rate of 10*s.* per cent. on the amount secured by them, whereas registered debentures, being liable to transfer duty, are only stamped at the rate of 2*s.* 6*d.* per cent.

For the greater security and protection of the debenture-holders the property of the company is frequently conveyed by way of mortgage to trustees to be held in trust for the holders. The deed by which this is effected is called a "covering" or a "trust" deed. If such a deed is in existence the debentures themselves should contain a condition incorporating its terms by reference. If property is comprised in the deed, other than freeholds or leaseholds, such as stock-in-trade, book debts, etc., it is the usual thing to make it subject to what is called a "floating charge." Such a charge allows the company to deal with its movable property in the ordinary course of business, so long as it is a going concern, which it could not strictly do in the absence of the charge. But as soon as a receiver is appointed, or the business of the company comes to a standstill, or there is a winding-up, the charge crystallises and becomes enforceable. A learned authority has said of a floating charge that it is "an equitable charge on the assets for the time being of a going concern. It attaches to the subject charged in the varying conditions in which it happens to be from time to time. It is of the essence of such a charge that it remains dormant until the undertaking charged ceases to be a going concern, or until the person in whose favour the charge is created intervenes. His right to intervene may, of course, be suspended by agreement. But if there is no agreement for suspension he may exercise his right whenever he pleases after default." Thus, for instance, when a company is carrying on business, and no receiver has been appointed or no winding-up order has been made, the fact that there is a floating charge does not give to the debenture-holder the right to require that any particular debt owing to the company shall be paid to him. And again, if a debt owing to the company has been garnisheed, the garnishee cannot refuse to pay the judgment creditor because he is aware that the company has issued debentures.

All debentures must be entered in the register of the company, but they are expressly excluded from registration as bills of sale. The subject of registration is thus dealt with in section 93–103 of the Companies (Consolidation) Act, 1908:—

93.—(1) Every mortgage or charge created after the first day of July nineteen hundred and eight by a company registered in England or Ireland and being either—

(*a*) A mortgage or charge for the purpose of securing any issue of debentures; or

(*b*) a mortgage or charge on uncalled share capital of the company; or

(*c*) a mortgage or charge created or evidenced by an instrument which, if executed by an individual, would require registration as a bill of sale; or

(*d*) a mortgage or charge on any land, wherever situate, or any interest therein; or

(*e*) a mortgage or charge on any book debts of the company; or

(*f*) a floating charge on the undertaking or property of the company—

shall, so far as any security on the company's property or undertaking is thereby conferred, be void against the liquidator and any creditor of the company, unless the prescribed particulars of the mortgage or charge, together with the instrument (if any) by which the mortgage or charge is created or evidenced, are delivered to or received by the registrar of companies for registration in manner required by this Act within twenty-one days after the date of its creation, but without prejudice to any contract or obligation for repayment

of the money thereby secured, and when a mortgage or charge becomes void under this section the money secured thereby shall immediately become payable:

Provided that—

(i) in the case of a mortgage or charge created out of the United Kingdom comprising solely property situate outside the United Kingdom, the delivery to and the receipt by the registrar of a copy of the instrument by which the mortgage or charge is created or evidenced, verified in the prescribed manner, shall have the same effect for the purposes of this section as the delivery and receipt of the instrument itself, and twenty-one days after the date on which the instrument or copy could, in due course of post and if despatched with due diligence have been received in the United Kingdom, shall be substituted for twenty-one days after the date of the creation of the mortgage or charge, as the time within which the particulars and instrument or copy are to be delivered to the registrar; and

(ii) where the mortgage or charge is created in the United Kingdom but comprises property outside the United Kingdom, the instrument creating or purporting to create the mortgage or charge may be sent for registration notwithstanding that further proceedings may be necessary to make the mortgage or charge valid or effectual according to the law of the country in which the property is situate; and

(iii) where a negotiable instrument has been given to secure the payment of any book debts of a company, the deposit of the instrument for the purpose of securing an advance to the company shall not for the purposes of this section be treated as a mortgage or charge on those book debts; and

(iv) the holding of debentures entitling the holder to a charge on land shall not be deemed to be an interest in land.

(2) The registrar shall keep, with respect to each company, a register in the prescribed form of all the mortgages and charges created by the company after the first day of July nineteen hundred and eight and requiring registration under this section, and shall, on payment of the prescribed fee, enter in the register, with respect to every such mortgage or charge, the date of creation, the amount secured by it, short particulars of the property mortgaged or charged, and the names of the mortgagees or persons entitled to the charge.

(3) Where a series of debentures containing, or giving by reference to any other instrument, any charge to the benefit of which the debenture-holders of that series are entitled *pari passu* is created by a company it shall be sufficient if there are delivered to or received by the registrar within twenty-one days after the execution of the deed containing the charge or, if there is no such deed, after the execution of any debentures of the series the following particulars:—

(*a*) the total amount secured by the whole series; and

(*b*) the dates of the resolutions authorising the issue of the series and the date of the covering deed, if any, by which the security is created or defined; and

(*c*) a general description of the property charged; and

(*d*) the names of the trustees, if any, for the debenture-holders; together with the deed containing the charge, or, if there is no such deed, one of the debentures of the series, and the registrar shall, on payment of the prescribed fee, enter those particulars in the register:

Provided that, where more than one issue is made of debentures in the series, there shall be sent to the registrar for entry in the register particulars of the date and amount of each issue, but an omission to do this shall not affect the validity of the debentures issued.

(4) Where any commission, allowance, or discount has been paid or made either directly or indirectly by the company to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any debentures of the company, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any such debentures, the particulars required to be sent for registration under this section shall include particulars as to the amount or rate per cent. of the commission, discount, or allowance so paid or made, but an omission to do this shall not affect the validity of the debentures issued:

Provided that the deposit of any debentures as security for any debt of the company shall not for the purposes of this provision be treated as the issue of the debentures at a discount.

(5) The registrar shall give a certificate under his hand of the registration of any mortgage or charge registered in pursuance of this section, stating the amount thereby secured, and the certificate shall be conclusive evidence that

the requirements of this section as to registration have been complied with.

(6) The company shall cause a copy of every certificate of registration given under this section to be indorsed on every debenture or certificate of debenture stock which is issued by the company, and the payment of which is secured by the mortgage or charge so registered:

Provided that nothing in this sub-section shall be construed as requiring a company to cause a certificate of registration of any mortgage or charge so given to be indorsed on any debenture or certificate of debenture stock which has been issued by the company before the mortgage or charge was created.

(7) It shall be the duty of the company to send to the registrar for registration the particulars of every mortgage or charge created by the company and of the issues of debentures of a series, requiring registration under this section, but registration of any such mortgage or charge may be effected on the application of any person interested therein.

Where the registration is effected on the application of some person other than the company, that person shall be entitled to recover from the company the amount of any fees properly paid by him to the registrar on the registration.

(8) The register kept in pursuance of this section shall be open to inspection by any person on payment of the prescribed fee, not exceeding one shilling for each inspection.

(9) Every company shall cause a copy of every instrument creating any mortgage or charge requiring registration under this section to be kept at the registered office of the company: Provided that, in the case of a series of uniform debentures, a copy of one such debenture shall be sufficient.

94.—(1) If any person obtains an order for the appointment of a receiver or manager of the property of a company, or appoints such a receiver or manager under any powers contained in any instrument, he shall within seven days from the date of the order or of the appointment under the powers contained in the instrument give notice of the fact to the registrar of companies, and the registrar shall, on payment of the prescribed fee, enter the fact in the register of mortgages and charges.

(2) If any person makes default in complying with the requirements of this section he shall be liable to a fine not exceeding five pounds for every day during which the default continues.

95.—(1) Every receiver or manager of the property of a company who has been appointed under the powers contained in any instrument, and who has taken possession, shall, once in every half-year while he remains in possession, and also on ceasing to act as receiver or manager, file with the registrar of companies an abstract in the prescribed form of his receipts and payments during the period to which the abstract relates, and shall also on ceasing to act as receiver or manager file with the registrar notice to that effect, and the registrar shall enter the notice in the register of mortgages and charges.

(2) Every receiver or manager who makes default in complying with the provisions of this section shall be liable to a fine not exceeding fifty pounds.

96. A judge of the High Court, on being satisfied that the omission to register a mortgage or charge within the time hereinbefore required, or that the omission or misstatement of any particular with respect to any such mortgage or charge, was accidental, or due to inadvertence or to some other sufficient cause, or is not of a nature to prejudice the position of creditors or shareholders of the company, or that on other grounds it is just and equitable to grant relief, may, on the application of the company or any person interested, and on such terms and conditions as seem to the judge just and expedient, order that the time for registration be extended, or, as the case may be, that the omission or misstatement be rectified.

97. The registrar of companies may, on evidence being given to his satisfaction that the debt for which any registered mortgage or charge was given has been paid or satisfied, order that a memorandum of satisfaction be entered on the register, and shall if required furnish the company with a copy thereof.

98. The registrar of companies shall keep a chronological index, in the prescribed form and with the prescribed particulars, of the mortgages or charges registered with him under this Act.

99.—(1) If any company makes default in sending to the registrar of companies for registration the particulars of any mortgage or charge created by the company, and of the issues of debentures of a series, requiring registration with the registrar under the foregoing provisions of this Act, then, unless the

registration has been effected on the application of some other persons the company, and every director, manager, secretary, or other person who is knowingly a party to the default shall on conviction be liable to a fine not exceeding fifty pounds for every day during which the default continues.

(2) Subject as aforesaid, if any company makes default in complying with any of the requirements of this Act as to the registration with the registrar of any mortgage or charge created by the company, the company and every director, manager, and other officer of the company, who knowingly and wilfully authorised or permitted the default shall, without prejudice to any other liability be liable on summary conviction to a fine not exceeding one hundred pounds.

(3) If any person knowingly and wilfully authorises or permits the delivery of any debenture or certificate of debenture stock requiring registration with the registrar under the foregoing provisions of this Act, without a copy of the certificate of registration being indorsed upon it, he shall, without prejudice to any other liability, be liable on summary conviction to a fine not exceeding one hundred pounds.

100.—(1) Every limited company shall keep a register of mortgages and enter therein all mortgages and charges specifically affecting property of the company, giving in each case a short description of the property mortgaged, or charged, the amount of the mortgage or charge, and (except in the case of securities to bearer) the names of the mortgagees or persons entitled thereto.

(2) If any director, manager, or other officer of the company knowingly and wilfully authorises or permits the omission of any entry required to be made in pursuance of this section, he shall be liable to a fine not exceeding fifty pounds.

101.—(1) The copies of instruments creating any mortgage or charge requiring registration under this Act with the registrar of companies, and the register of mortgages kept in pursuance of the last foregoing section, shall be open at all reasonable times to the inspection of any creditor or member of the company without fee, and of any other person on payment of such fee, not exceeding one shilling for each inspection, as the company may prescribe.

(2) If inspection of the said copies or register is refused, any officer of the company refusing inspection, and every director and manager of the company authorising or knowingly and wilfully permitting the refusal, shall be liable to a fine not exceeding five pounds, and a further fine not exceeding two pounds for every day during which the refusal continues; and in addition to the above penalty as respects companies registered in England or Ireland, any judge of the High Court sitting in chambers, or the judge of the court exercising the stannaries jurisdiction in the case of companies subject to that jurisdiction, may by order compel an immediate inspection of the copies or register.

102.—(1) Every register of holders of debentures of a company shall, except when closed in accordance with the articles during such period or periods (not exceeding in the whole thirty days in any year) as may be specified in the articles, be open to the inspection of the registered holder of any such debentures, and of any holder of shares in the company, but subject to such reasonable restrictions as the company may in general meeting impose, so that at least two hours in each day are appointed for inspection, and every such holder may require a copy of the register or any part thereof on payment of sixpence for every one hundred words required to be copied.

(2) A copy of any trust deed for securing any issue of debentures shall be forwarded to every holder of any such debentures at his request on payment in the case of a printed trust deed of the sum of one shilling or such less sum as may be prescribed by the company, or, where the trust deed has not been printed, on payment of sixpence for every one hundred words required to be copied.

(3) If inspection is refused, or a copy is refused or not forwarded, the company shall be liable to a fine not exceeding *five pounds*, and to a further fine not exceeding *two pounds* for every day during which the refusal continues, and every director, manager, secretary, or other officer of the company who knowingly authorises or permits the refusal shall incur the like penalty.

The existence of this register of debentures and charges is a great boon to the public. The register was first established by the Act of 1862, but the defects of the Act were not removed until the passing of the Companies Act, 1900. The present provisions of the Act of 1908 are the consolidated ones of the Companies Acts of 1900 and 1907, now repealed.

The power to borrow upon debentures

is generally provided for by the memorandum or articles of association, though it is sometimes implied. If both are silent upon the subject a special resolution is necessary before debentures can be issued.

The rights of a debenture-holder who has a charge upon the property of a company are:—

(1) To sue for repayment of the principal and any interest which is owing.

(2) To present a winding-up petition against the company.

(3) To prove for the debt in the winding-up.

(4) To appoint a receiver.

The last of these is that most frequently resorted to by the debenture-holder; because a company may be merely in temporary difficulties from which a little judicious management may extricate it. And it will almost always be the fact that the security is good enough to allow of the business of the company being carried on without any undue risk to that security.

A debenture-holder is a secured creditor, and therefore he is preferred, as far as his security goes, to the general creditors of the company. But the payments which are to be made by reason of the Preferential Payments in Bankruptcy Amendment Act, 1897, now repealed and practically re-enacted by the companies (Consolidation) Act, 1908, must be met before any of the assets realised by the receiver, or otherwise, are distributed amongst the debenture-holders. (See *Preferential Payments.*)

DEBENTURE BONDS. (Fr. *Obligations amortissables*, Ger. *Obligationen*, Sp. *Obligaciones amortizables*, It. *Obbligazioni ammortizzabili.*)

Debenture bonds are those that are usually redeemable at the end of a specific time.

DEBENTURE STOCK. (Fr. *Obligations irremboursables*, Ger. *Schuldverschreibungen*, Sp. *Obligaciones irredimibles*, It. *Obbligazioni irredimibili.*)

Debentures that are usually irredeemable, and transferred by deed of assignment, are generally referred to as debenture stock.

DEBIT. (Fr. *Débiter, porter au débit de*, Ger. *debitieren, belasten*, Sp. *Debitar*, It. *Addebitare, segnare o portare a debito.*)

To debit is to charge a person or his account with the cost of anything, or to make some charge upon him for out-of-pocket or other expenses.

DEBIT NOTE. (Fr. *Note de débit*, Ger. *Debetnote*, Sp. *Nota de débito*, It. *Nota di debito.*)

When a firm returns goods, owing to some imperfection, or corrects an overcharge, it is usual to send a debit note, or invoice. In such cases a credit note should be received in return.

DEBT. (Fr. *Dette, créance*, Ger. *Schuld*, Sp. *Deuda*, It. *Debito.*)

A debt is a sum of money owed by one person to another, which is fixed in amount. In law the term "debt" has frequently a wider meaning, and may include an amount which remains to be ascertained by future valuation.

Debts are divided into three classes, debts of record, specialty debts, and simple contract debts. A debt of record is one which a creditor can enforce as a judgment of a court of record against a judgment debtor, by means of execution against his goods, or an order for committal, or proceedings in bankruptcy. Such a debt is final and cannot be disputed. A specialty debt is one by which a sum of money is acknowledged to be due by deed or an instrument under seal. Such a debt can be sued for within twenty years of the execution of the deed, and requires no consideration to support it. A simple contract debt is one that is not a debt of record or a specialty debt. It is created by a writing not under seal, by word of mouth, or by conduct. The right of action upon it is barred by the Statute of Limitations within six years of the right to sue accruing.

It is the duty of a debtor to seek out his creditor and pay him. The creditor is not under any obligation to make any demand before bringing an action for the recovery of the amount. But unless he brings his action within six or twenty years, according as the debt is a simple or a specialty one, the creditor cannot legally enforce his claim. The Statute of Limitations is against him. A debtor may, however, preclude himself from setting up the statute if he has paid anything in respect of the debt, allowed interest for the same, or given some signed acknowledgment of indebtedness within the six or twenty years, as the case may be, of action being brought.

A difficulty often arises when the debtor is beyond the seas, or out of the jurisdiction. If the debtor departs from England before the right to demand payment has accrued, the Statute of Limitations does not run in his favour, that is, the creditor can sue him upon

his return, no matter how many years he may have been away. But if the right has accrued before the debtor departs, the statute commences to run, and nothing can stop its doing so. The only remedy open to the creditor is to issue a writ, which stands good for twelve months, and then to renew it very six months after the lapse of the irst twelve months, until it can be served upon the debtor. In certain cases a lebtor can be served abroad, and judgment may be signed against him. But this right is very strictly guarded. (See *Conflict of Laws.*)

In the settlement of a debt there must be accord and satisfaction. The agreement of one party to take a sum less than the amount due from another is incomplete, seeing that there is no consideration for the abandonment of the remainder. But if payment is made in anything else than in money which is legal tender it is held that there is complete satisfaction as well as accord. Thus, if a creditor accepts £5 in payment for a debt of £20, he does not abandon his right to sue for the remaining £15, since there is no consideration for the relinquishment of the claim. But if he accepts something else, such as a cheque or a bill of exchange, or even some chattel, there is complete accord and satisfaction, and the debt is extinguished.

When a creditor is unable to obtain prompt payment of a debt, it is a general custom to employ an agent or a solicitor to do the work of collection. The person employed for this purpose is the agent of the creditor, and although it is the rule for the collector to demand payment of costs and expenses from the debtor, in addition to the amount of the claim, such an additional payment is not enforceable by law. It is the creditor alone who is responsible for any expenses which are incurred in this manner. When a solicitor, therefore, writes to a debtor and threatens him with legal proceedings unless the amount of the debt "together with —— my costs" are paid within a certain time, the debtor, if he owes the money, is quite safe in paying the debt and ignoring the costs. If the solicitor wants payment he must get the amount from the creditor.

When action has to be taken, a creditor should proceed in a county court if the amount is less than £20, and in the High Court if the claim exceeds £100. Between £20 and £100 proceedings ought to be taken in a county court, unless the facts are such that the debtor is unlikely to obtain leave to defend the action—supposing the proceedings are in respect of a liquidated sum—when it is quite as cheap, and much more expeditious, to proceed in the High Court, under what is known as Order XIV (*q.v.*).

DEBTOR. (Fr. *Débiteur*, Ger. *Schuldner*, Sp. *Deudor*, It. *Debitore*.)

This is the person who owes money to another

DEBTORS ACT, 1869. By this Act no person can be arrested or imprisoned for making default in payment of a sum of money, except in the following cases:—

(1) A penalty, or a sum of money in the nature of a penalty, other than a penalty under a contract.

(2) A sum recoverable summarily on conviction, and not as a civil debt, before a court of summary jurisdiction.

(3) A sum in the possession or under the control of a trustee or a person acting in a fiduciary capacity, and ordered to be paid by the court.

(4) A sum payable by an attorney in respect of costs, when the order is made to pay the sum on the ground of misconduct, or in payment of a sum when the order is made to pay the same in his character as an officer of the court.

(5) A sum payable for the benefit of creditors out of any salary or other income, in respect of the payment of which any court having jurisdiction in bankruptcy is entitled or authorised to make an order.

(6) A sum payable by virtue of an order made under the Act itself.

If a debtor fails to pay any debt or instalment of a debt, as to which an order for payment has been made under the Act, he may be imprisoned for any period not exceeding six weeks if it is proved that he has had the means to pay the same since the order was made and has refused to do so.

An application for committal is made by means of a judgment summons—to the judge of a county court if the sum does not exceed £50, otherwise to a judge of the High Court.

The imprisonment can in no case exceed one year. It does not extinguish the debt, but a debtor cannot be imprisoned a second time in respect of the same debt. The only remedy left to the creditor is an execution against the lands, goods, or chattels of the debtor.

If an action is pending in the High

Court, the amount in dispute being £50 or upwards, a plaintiff may at any time before final judgment obtain an order from a judge, on giving satisfactory evidence, for the imprisonment of a defendant for a period not exceeding six months, if there is reasonable ground to suppose that the defendant is about to quit the jurisdiction. The defendant can, however, obtain his freedom on giving security, not exceeding the amount claimed in the action, that he will not leave the country without the sanction of the court.

The Act of 1869 was amended in certain respects by the Bankruptcy Acts of 1883 and 1890, and has been further altered by the Bankruptcy Act of 1914. The law as to the imprisonment of fraudulent bankrupts is shortly as follows, as set out in section 154 of that Act.

Any person adjudged bankrupt or in respect of whose estate a receiving order has been made shall, in each of the cases following, be deemed guilty of misdemeanour:—

(1) If he does not to the best of his knowledge and belief fully and truly discover to the trustee all his property, real and personal, and how and to whom and for what consideration and when he disposed of any part thereof, except such part as has been disposed of in the ordinary way of his trade (if any) or laid out in the ordinary expense of his family, unless he proves that he had no intent to defraud.

(2) If he does not deliver up to the trustee, or as he directs, all such part of his real and personal property as is in his custody or under his control, and which he is required by law to deliver up, unless he proves that he had no intent to defraud.

(3) If he does not deliver up to the trustee, or as he directs, all books, documents, papers, and writings in his custody or under his control relating to his property or affairs, unless he proves that he had no intent to defraud.

(4) If, after the presentation of a bankruptcy petition by or against him, or within six months next before such presentation, he conceals any part of his property to the value of ten pounds or upwards, or conceals any debt due to or from him, unless he proves that he had no intent to defraud.

(5) If, after the presentation of a bankruptcy petition by or against him, or within six months next before such presentation, he fraudulently removes any part of his property to the value of ten pounds or upwards.

(6) If he makes any material omission in any statement relating to his affairs, unless he proves that he had no intent to defraud.

(7) If, knowing or believing that a false debt has been proved by any person under the bankruptcy, he fails for the period of a month to inform the trustee thereof.

(8) If, after the presentation of a bankruptcy petition by or against him, he prevents the production of any book, document, paper, or writing affecting or relating to his property or affairs, unless he proves that he had no intent to conceal the state of his affairs or to defeat the law.

(9) If, after the presentation of a bankruptcy petition by or against him, or within six months next before such presentation, he conceals, destroys, mutilates, or falsifies or is privy to the concealment, destruction, mutilation, or falsification of any book or document affecting or relating to his property or affairs, unless he proves that he had no intent to conceal the state of his affairs or to defeat the law.

(10) If, after the presentation of a bankruptcy petition by or against him, or within six months next before such presentation, he makes, or is privy to the making of, any false entry in any book or document affecting or relating to his property or affairs, unless he proves that he had no intent to conceal the state of his affairs or to defeat the law.

(11) If, after the presentation of a bankruptcy petition by or against him or within six months next before such presentation, he fraudulently parts with, alters, or makes any omission, or is privy to the fraudulently parting with, altering or making any omission, in any document affecting or relating to his property or affairs.

(12) If, after the presentation of a bankruptcy petition by or against him, or at any meeting of his creditors within six months next before such presentation, he attempts to account for any part of his property by fictitious losses or expenses.

(13) If within six months next before the presentation of a bankruptcy petition by or against him, or in the case of a receiving order made under section 103 of the Bankruptcy Act, 1914, before the date of the order, or after the presentation of a bankruptcy petition

and before the making of a receiving order, he, by any false representation or other fraud, has obtained any property on credit and has not paid for the same.

(14) If, within six months next before the presentation of a bankruptcy petition by or against him, or in the case of a receiving order made under section 107 of the Bankruptcy Act, 1914, before the date of the order, or after the presentation of a bankruptcy petition and before the making of a receiving order, he obtains under false pretence of carrying on business, and, if a trader, of dealing in the ordinary way of his trade, any property on credit and has not paid for the same, unless he proves that he had no intent to defraud.

(15) If, within six months next before the presentation of a bankruptcy petition by or against him, or in the case of a receiving order made under section 107 of the Bankruptcy Act, 1914, before the date of the order, or after the presentation of a bankruptcy petition and before the making of a receiving order, he pawns, pledges, or disposes of any property which he has obtained on credit and has not paid for, unless, in the case of a trader, such pawning, pledging, or disposing is in the ordinary way of his trade, and unless in any case he proves that he had no intent to defraud.

(16) If he is guilty of any false representation or other fraud for the purpose of obtaining the consent of his creditors or any of them to an agreement with reference to his affairs or to his bankruptcy.

(N.B.—Section 107 of the Act of 1914 is that which provides for proceedings being taken in bankruptcy in place of a committal under the Debtors Act, 1869.)

By section 13 of the Debtors Act of 1869, which is one of the sections of the Act of 1869 not repealed by the Bankruptcy Act, 1914, any person who is found guilty of any of the following offences is liable on conviction thereof to one year's imprisonment, with or without hard labour—

(1) If he incurs any debt or liability, and obtains credit under any false pretences or by means of any other fraud.

(2) If he makes any gift, delivery, or transfer of, or charge upon his property with intent to defraud his creditors.

(3) If he has concealed or removed any part of his property since or within two months before the date of any unsatisfied judgment or order for payment of money obtained against him.

DECIMAL SYSTEM. (Fr. *Système décimal*, Ger. *Dezimal-System*, Sp. *Sistema decimal*, It. *Sistema decimale.*)

This is the system by which weights, measures, money, etc., are regulated and calculated by decimal divisions. It is now adopted in the principal continental countries of Europe and in the United States of America. On account of the facilities which it offers for calculation it will doubtless in time supersede all the old and cumbrous methods; and as soon as that is effected in Europe it will be the first step towards the establishment of a universal and international system. The most perfect example of the decimal system is found in France, though the same principle obtains in the coinage of the United States, Belgium, Italy, Portugal, Spain, and other countries. In French measures of length the Greek words *deca*, *hecto*, *kilo*, and *myria* are prefixed to the higher denominations, the unit being the metre of 39·37 English inches. The lower denominations are marked by the Latin words *deci*, *centi*, and *milli*. In money the *franc* is the unit; a *décime* is the tenth part of a franc, and a *centime* the hundredth part. The coinage of the United States of America, made decimal in 1786, consists of the *eagle*, of ten dollars, the *dollar*, of ten dimes, and the *dime*, of ten cents; but, of these denominations, *dollars* and *cents* are the only ones commonly used. Many attempts have been made to introduce a decimal coinage into this country, but without success. The decimal system is now legally recognised in twenty-nine states, with a population of over 700 millions of people.

DECK CARGO. (Fr. *Cargaison de tillac*, Ger. *Deckladung*, Sp. *Cargamento sobre cubierta*, It. *Carico sopracoperta.*)

Deck cargo is that portion which is carried on deck, such as timber, cattle, etc.

DEED. (Fr. *Acte*, *titre*, Ger. *Dokument*, *Urkunde*, Sp. *Acta*, *titulo*, It. *atto*, *documento*, *scritura.*)

This term signifies either:—

(1) A legal transaction, or

(2) The written document under hand and seal as evidence of such transaction.

A deed is sometimes termed a contract under seal, a specialty contract, or a formal contract.

Three things are essential to a deed, writing, sealing, and delivery. The

writing may be done with any instrument, but the article used for writing upon must not be wood or cloth. In practice, parchment is generally used if the matter is one of importance, and if there is any necessity for preserving evidence of the transaction for a long period; otherwise paper suffices. The ancient solemnity connected with sealing has passed away, and a wafer or a mere piece of sealing wax is enough for present day purposes. By touching the wafer or the wax a party to the deed adopts it as his seal. The importance of delivery cannot be over-estimated, for unless delivery takes place the deed is of no effect. Delivery may be actual, by handing over the instrument, or constructive, by speaking words which clearly indicate the intention of the party to deliver it. In practice, the wafer or seal is affixed beforehand, and execution is completed by the party placing his finger on the seal and saying, "I deliver this as my act and deed." It is not certain whether it is necessary for a deed to be signed, but no prudent person would ever dispense with the signature and be satisfied with the mere act of sealing. When a deed is delivered subject to a condition, that is, that the deed is not to take effect if the condition is not fulfilled, it is called an "escrow." This conditional delivery must be made to a person who is not a party to the deed.

The following are the distinctions between contracts under seal and simple contracts, in addition to the difference of form:—

(1) A contract under seal requires no consideration to support it. Hence, although a gratuitous promise is not legally binding, for example, a promise to subscribe to a particular fund, a similar promise, if made by deed, is binding upon the promisor. There is an exception, however, in the case of contracts in restraint of trade.

(2) A contract under seal will "merge" in itself, that is, swallow up, or supersede, a simple contract between the same parties, and containing the same terms.

(3) Statements made in a deed are absolutely conclusive against the person making them, unless duress or fraud is proved. No evidence is admissible to deny or to explain them, unless there is what is called a "latent ambiguity," that is, a word or phrase which on its face appears perfectly clear, but which can be shown to be applicable to different matters. This is technically known as "estoppel." In the same way if a deed is incomplete in any material part when it is delivered, it is void, and the omissions cannot be supplied. In the case of a simple contract, a statement is only presumptive evidence of its truth.

(4) A right of action arising out of a contract under seal is not barred for twenty years, with the exception of certain contracts with regard to land, which are barred at the end of twelve years. The period allowed for taking action in the case of a simple contract is six years only.

Deeds must be stamped within thirty days of their execution.

DEED OF ARRANGEMENT. (Fr. *Contrat d'arrangement*, Ger. *Vergleichsurkunde*, Sp. *Escritura de amigables componedores*, It. *Atto di concordato.*)

A deed of arrangement is one which purports to convey property to a trustee or trustees for the payment *pro ratâ* of the debts owing by an insolvent debtor. The object of a deed of arrangement is to prevent the publicity and trouble of bankruptcy proceedings.

A debtor will rarely execute a deed of this kind without first procuring the assent of the majority of his creditors, for by so doing he commits an act of bankruptcy (*q.v.*) upon which a petition for a receiving order may be filed. And if he does not secure the assent of the majority of his creditors, any one of the dissentients may present a petition within three months of the date of the deed. None of the assenting creditors can, however, take this course, for they have voluntarily relinquished their rights to the payment in full of their debts in consideration of the other assenting creditors doing the same thing. After the lapse of three months the deed is no longer available as an act of bankruptcy.

Sometimes instead of an assignment of the property of the debtor to a trustee, the creditors will assent to an arrangement for the payment of a portion of their debts at once, or to the payment in full by instalments, either absolutely or upon stated conditions.

Until 1888 deeds of arrangement might be made privately. But by the Deeds of Arrangement Act, 1887 (amended by another Act passed in 1890), provision was made for the publicity of assignments and arrangements. Amendments were made by the Bankruptcy and Deeds of Arrangement Act, 1913, but the law upon the subject

was consolidated by the Deeds of Arrangement Act, 1914, and the previous Acts repealed. Section 1 of the Act of 1914 is as follows:—

(1) A deed of arrangement to which this Act applies shall include any instrument of the classes hereinafter mentioned whether under seal or not—

(*a*) made by, for, or in respect of the affairs of a debtor for the benefit of his creditors generally;

(*b*) made by, for, or in respect of the affairs of a debtor who was insolvent at the date of the execution of the instrument for the benefit of any three or more of his creditors;

otherwise than in pursuance of the law for the time being in force relating to bankruptcy.

(2) The classes of instrument hereinbefore referred to are—

(*a*) an assignment of property;

(*b*) a deed of or agreement for a composition; and in cases where creditors of the debtor obtain any control over his property or business—

(*c*) a deed of inspectorship entered into for the purpose of carrying on or winding up a business;

(*d*) a letter of licence authorising the debtor or any other person to manage, carry on, realise, or dispose of a business with a view to the payment of debts; and

(*e*) any agreement or instrument entered into for the purpose of carrying on or winding up the debtor's business, or authorising the debtor or any other person to manage, carry on, realise, or dispose of the debtor's business with a view to the payment of his debts.

Every deed of arrangement must be registered in the same manner as a bill of sale within seven days of its first execution, otherwise it is void. It must be stamped with a 10*s*. deed stamp, and an additional stamp at the rate of 1*s*. per £100, or fraction thereof, upon the value of the property passing, or the amount of the composition which is to be paid. There is also an *ad valorem* duty charged for filing the deed of £1 per £1,000, or fraction thereof, with a maximum of £5, payable upon the value of the property passing, or the amount of the composition which is to be paid.

Registration is effected in the following manner. A true copy of the deed, and of every schedule or inventory annexed to it or referred to in it, must be presented to the Registrar within seven days. It must be accompanied by two affidavits, one verifying the time of execution, and containing a description of the residence and occupation of the debtor, and of the place or places where his business is carried on; and the other, made by the debtor himself, stating the total estimated amount of the property and liabilities included under the deed, the total amount of the composition (if any) payable thereunder, and the names and addresses of the creditors. The register is open to public inspection upon payment of a fee of one shilling.

For further particulars as to registration the Act of 1914 must be consulted.

Unless a deed of arrangement is duly registered, it is wholly void—not merely voidable or void as against a particular person. This has always been the law upon the subject. Fraud also is good ground for avoiding such a deed. And now, by section 3 of the Act of 1914, the following provisions are imposed:—

(1) A deed of arrangement, which either is expressed to be or is in fact for the benefit of a debtor's creditors generally, shall be void unless, before or within twenty-one days after the registration thereof, or within such extended time as the High Court or the court having jurisdiction in bankruptcy in the district in which the debtor resided or carried on business at the date of the execution of the deed may allow, it has received the assent of a majority in number and value of the creditors of the debtor.

(2) The list of creditors annexed to the affidavit of the debtor filed on the registration of the deed of arrangement shall be *primâ facie* evidence of the names of the creditors and the amounts of their claims.

(3) The assent of a creditor for the purposes of sub-section (1) of this section shall be established by his executing the deed of arrangement or sending to the trustee his assent in writing attested by a witness, but not otherwise.

(4) The trustee shall file with the Registrar of Bills of Sale at the time of the registration of a deed of arrangement, or, in the case of a deed of arrangement assented to after registration, within twenty-eight days after registration or within such extended time as the High Court or the court having jurisdiction in bankruptcy in the district in which the debtor resided or carried on business at the date of the execution of the deed may allow, a statutory declaration by the trustee that the requisite majority of the creditors of the debtor have assented to the deed of

arrangement, which declaration shall, in favour of a purchaser for value, be conclusive evidence, and, in other cases, be *primâ facie* evidence, of the fact declared.

(5) In calculating a majority of creditors for the purposes of this section, a creditor holding security upon the property of the debtor shall be reckoned as a creditor only in respect of the balance (if any) due to him after deducting the value of such security, and creditors whose debts amount to sums not exceeding ten pounds shall be reckoned in the majority in value but not in the majority in number.

The following sections as to the duties of trustees under deeds of arrangement are of importance:

11.—(1) The trustee under a deed of arrangement shall, within seven days from the date on which the statutory declaration certifying the assent of the creditors is filed, give security in the prescribed manner to the registrar of the court having jurisdiction in bankruptcy in the district in which the debtor resided or carried on business at the date of the execution of the deed, or, if he then resided or carried on business in the London bankruptcy district, to the senior bankruptcy registrar of the High Court, in a sum equal to the estimated assets available for distribution amongst the unsecured creditors as shown by the affidavit filed on registration, to administer the deed properly and account fully for the assets which come to his hands, unless a majority in number and value of the debtor's creditors, either by resolution passed at a meeting convened by notice to all the creditors, or by writing addressed to the trustee, dispense with his giving such security.

Provided that, when such a dispensation has been so given, the trustee shall forthwith make and file with the Registrar of Bills of Sale a statutory declaration to that effect, which declaration shall, in favour of a purchaser for value, be conclusive evidence, and in other cases be *primâ facie* evidence of the facts declared.

(2) If a trustee under a deed of arrangement fails to comply with the requirements of this section, the court having jurisdiction in bankruptcy in the district in which the debtor resided or carried on business at the date of the execution of the deed, on the application of any creditor and after hearing such persons as it may think fit, may declare the deed of arrangement to be void or may make an order appointing another trustee in the place of the trustee appointed by the deed of arrangement.

(3) A certificate that the security required by this section has been given by a trustee, signed by the registrar to whom it was given and filed with the Registrar of Bills of Sale, shall be conclusive evidence of the fact.

(4) All moneys received by a trustee under a deed of arrangement shall be banked by him to an account to be opened in the name of the debtor's estate.

(5) In calculating a majority of creditors for the purposes of this section, a creditor holding security upon the property of the debtor shall be reckoned as a creditor only in respect of the balance (if any) due to him after deducting the value of such security, and creditors whose debts amount to sums not exceeding ten pounds shall be reckoned in the majority in value but not in the majority in number.

12. If a trustee acts under a deed of arrangement—

(*a*) after it has to his knowledge become void by reason of non-compliance with any of the requirements of this Act or any enactment repealed by this Act; or

(*b*) after he has failed to give security within the time and in the manner provided for by this Act;

he shall be liable on summary conviction to a fine not exceeding £5 for every day between the date on which the deed became void or the expiration of the time within which security should have been given, as the case may be, and the last day on which he is proved to have acted as trustee, unless he satisfies the court before which he is accused that his contravention of the law was due to inadvertence, or that his action has been confined to taking such steps as were necessary for the protection of the estate.

13.—(1) Every trustee under a deed of arrangement shall, at such times as may be prescribed, transmit to the Board of Trade, or as they direct, an account of his receipts and payments as trustee, in the prescribed form and verified in the prescribed manner.

(2) If any trustee fails to transmit such account, he shall be liable on summary conviction to a fine not exceeding £5 for each day during which the default continues, and the judge of the High Court to whom bankruptcy business has been assigned may, for the purpose of

enforcing the provisions of the last preceding sub-section, exercise, on the application of the Board of Trade, all the powers conferred on the court by sub-section 5 of section 105 of the Bankruptcy Act, 1914, in cases of bankruptcy.

(3) The accounts transmitted to the Board of Trade in pursuance of this section shall be open to inspection by the debtor or any creditor or other person interested on payment of the prescribed fee, and copies of or extracts from the accounts shall, on payment of the prescribed fee, be furnished to the debtor, the creditors, or any other persons interested.

(4) In this section the expression "trustee" shall include any person appointed to distribute a composition or to act in any fiduciary capacity under any deed of arrangement, and the expression "prescribed" means prescribed by rules under the Bankruptcy Act, 1914.

14. Every trustee under a deed of arrangement shall, at the expiration of six months from the date of the registration of the deed, and thereafter at the expiration of every subsequent period of six months until the estate has been finally wound up, send to each creditor who has assented to the deed a statement on the prescribed form of the trustee's accounts and of the proceedings under the deed down to the date of the statement, and shall, on his affidavit verifying his accounts transmitted to the Board of Trade, state whether or not he has duly sent such statements, and the dates on which the statements were sent; and if a trustee fails to comply with any of the provisions of this section, the High Court may, for the purpose of enforcing those provisions, exercise on the application of the Board of Trade all the powers conferred on the court by sub-section 5 of section 105 of the Bankruptcy Act, 1914, in cases of bankruptcy.

15.—(1) Where in the course of the administration of the estate of a debtor who has executed a deed of arrangement, or within twelve months from the date when the final accounts of the estate were rendered to the Board of Trade, an application in writing is made to the Board by a majority in number and value of the creditors who have assented to the deed for an official audit of the trustee's accounts, the Board may cause the trustee's accounts to be audited, and in such case all the provisions of the Bankruptcy Act, 1914, relating to the institution and enforcement of an audit of the accounts of a trustee in bankruptcy (including the provisions as to fees) shall, with necessary modifications, apply to the audit of the trustee's accounts, and the Board shall have power on the audit to require production of a certificate for the taxed costs of any solicitor whose costs have been paid or charged by the trustees, and to disallow the whole or any part of any costs in respect of which no certificate is produced.

(2) The Board of Trade may determine how and by what parties the costs, charges, and expenses of and incidental to the audit (including any prescribed fees chargeable in respect thereof) are to be borne, whether by the applicants or by the trustee or out of the estate, and may, before granting an application for an audit, require the applicants to give security for the costs of the audit.

16. At any time after the expiration of two years from the date of the registration of a deed of arrangement, the court having jurisdiction in bankruptcy in the district in which the debtor resided or carried on business at the date of the execution of the deed, may, on the application of the trustee or a creditor, or on the application of the debtor, order that all moneys representing unclaimed dividends and undistributed funds then in the hands of the trustee or under his control be paid into court.

17. If a trustee under a deed of arrangement pays to any creditor out of the debtor's property a sum larger in proportion to the creditor's claim than that paid to other creditors entitled to the benefit of the deed, then, unless the deed authorises him to do so, or unless such payments are either made to a creditor entitled to enforce his claim by distress or are such as would be lawful in a bankruptcy, he shall be guilty of a misdemeanour.

18. The power to appoint a new trustee or new trustees under section 25 of the Trustee Act, 1893, may, in the case of a deed of arrangement, be exercised either by the High Court or by the court having jurisdiction in bankruptcy in the district in which the debtor resided or carried on business, and the provisions of that section shall apply accordingly.

19.—(1) Where a deed of arrangement is void by reason that the requisite majority of creditors have not assented thereto, or, in the case of a deed for the

benefit of three or more creditors, by reason that the debtor was insolvent at the time of the execution of the deed and that the deed was not registered as required by this Act, but is not void for any other reason, and a receiving order is made against the debtor upon a petition presented after the lapse of three months from the execution of the deed, the trustee under the deed shall not be liable to account to the trustee in the bankruptcy for any dealings with or payments made out of the debtor's property which would have been proper if the deed had been valid, if he proves that at the time of such dealings or payments he did not know, and had no reason to suspect, that the deed was void.

(2) Where a receiving order is made against a debtor under sub-section 5 of section 107 of the Bankruptcy Act, 1914, this section shall apply if the receiving order was made after the lapse of three months from the execution of the deed.

20. When a deed of arrangement is void by reason of this Act for any reason other than that, being for the benefit of creditors generally it has not been registered within the time allowed for the purpose by this Act, the trustee shall, as soon as practicable after he has become aware that the deed is void, give notice in writing thereof to each creditor whose name and address he knows, and file a copy of the notice with the Registrar of Bills of Sale, and, if he fails to do so, he shall be liable, on summary conviction, to a fine not exceeding £20.

21. Where a deed of arrangement is avoided by reason of the bankruptcy of the debtor, any expenses properly incurred by the trustee under the deed in the performance of any of the duties imposed on him by this part of this Act shall be allowed or paid him by the trustee in the bankruptcy as a first charge on the estate.

DEED OF ASSIGNMENT. (Fr. *Assignation, cession*, Ger. *Abtretungsurkunde*, Sp. *Escritura de cesión*, It. *Atto di assegnazione, atto di cessione.*)

This is a deed by which an insolvent debtor gives up the whole of his property for the benefit of his creditors, to be realised, as far as possible, in satisfaction of their claims upon him.

DEED OF INSPECTORSHIP. (Fr. *Contrat d'inspection*, Ger. *Bankrotterklärung*, Sp. *Contrata de inspección*, It. *Scrittura d'ispezione.*)

A deed of inspectorship is one by which an insolvent trader places his business in the hands of his creditors, who appoint trustees, called inspectors, for the purpose of carrying on the business or winding it up for their general benefit.

DEFACING COIN. (Fr. *Dépréciation criminelle de monnaie*, Ger. *Entwertung von Munzen*, Sp. *Contraseña de moneda*, It. *Guasto, deprezzamento doloso di moneta.*)

This is a criminal offence, which is constituted by sweating, bending, chipping, drilling, stamping, or otherwise injuring the current coins of the realm.

DEFAULTER. (Fr. *Défaillant*, Ger. *Ausbleibender, Wortbrüchiger*, Sp. *Contumaz rebelde*. It. *Debitore moroso.*)

This is a person who makes default. The word is most commonly used, commercially, in connection with transactions on the Stock Exchange, for a member who is unable to meet his obligations is declared a defaulter. A notice to that effect is read out to all the members of the Exchange after their attention has been called by three strokes of a wooden hammer upon the rostrum. In the slang of the Exchange a defaulter, after the performance, is said to be "hammered." By the rules of the Stock Exchange liquidators are appointed to deal with the estate of the defaulter. They are known as the official assignees. Transactions which are open at the time of default are at once closed at current prices, and debts owing to the defaulter are paid over to the official assignees. The proceeds are divided amongst the creditors.

By this method of dealing with a defaulter's estate, the hammered member is saved from going through the Bankruptcy Court, unless there are unsatisfied creditors outside the Exchange. The members who are creditors must bear any loss which falls upon them; and if the defaulter pays 10*s*. in the £, and his conduct has been satisfactory, he is re-admitted a member of the Exchange. If bankruptcy proceedings are taken by outside creditors, the trustee is only entitled to claim from the official assignees any private assets which may have been handed to them by the defaulter.

DEFENDANT. (Fr. *Défendeur*, Ger. *Angeklagter*, Sp. *Demandado, acusado*, It. *Accusato, imputato.*)

This is a person who is accused or sued in an action, and who opposes the charge made against him.

DEFERRED ANNUITY. (Fr. *Rente*

viagère différée, Ger. *aufgeschobene Leibrente*, Sp. *Renta diferida*, It. *Rendita vitalizia differita*.)

An annuity is said to be deferred when it is payable after the expiration of a certain agreed number of years, or after a certain specified time. When once it has commenced to run it may be either perpetual, or it may be limited to terminate on the happening of a particular event. The present value of such an annuity must depend on many contingencies, and if the proposed annuitant dies before the first payment becomes due the whole is lost.

Deferred annuities—old age pay—can be purchased at any Post Office Savings Bank. The rates are given in the *Post Office Guide*.

DEFERRED BONDS. (Fr. *Titres différés*, Ger. *aufgeschobene Obligation, Obligationen*, Sp. *Titulos diferidos*, It. *Obbligazioni o titoli differiti*.)

These are bonds which bear a gradually increasing rate of interest up to a certain rate agreed upon, when they are exchanged for active bonds bearing a fixed rate of interest payable in full from the date of issue.

DEFERRED STOCK OR SHARES. (Fr. *Capital différé*, Ger. *ausgesetzte Schuld*, Sp. *Capital diferido*, It. *Capitale differito*.)

The capital of a joint-stock company is frequently divided into various classes, some of which have a preference over others. That stock or those shares which do not partake of the profits of a business until the prior claims have been satisfied is or are known as "deferred." Founders' shares in joint-stock companies are often of this kind.

By the Regulations of Railways Act, 1868, railway companies have special powers granted to them, under certain conditions, for converting their ordinary stock into two classes, preferred ordinary and deferred ordinary.

DEFICIENCY. (Fr. *Bon pour déficient*, Ger. *Manko, Leckage*, Sp. *Vale por deficencia*, It. *Deficienza, abbuono per deficienza*.)

This is a term used by the customs for an allowance made by them on wines and spirits on their being examined for delivery from a Government warehouse. The allowances are of three kinds:—

(*a*) Ordinary (Fr. *Concession ordinaire*, Ger. *gewöhnlicher Abzug*, Sp. *Concesión usual*, It. *Abbuono, tara solita*), to cover losses from natural causes, such as absorption or evaporation.

(*b*) Special (Fr. *Concession spéciale*, Ger. *besonderer Abzug*, Sp. *Concesión especial*, It. *Abbuono speciale*), to meet any further waste due to such causes as porous timber, slack hoops, defective staves, or damp stowage.

(*c*) Chargeable (Fr. *Déficient à payer*, Ger. *Zahlbarer Unterschied*, Sp. *Diferencia á pagar*, It. *Differenza da pagare*), a deficiency over ordinary and special allowance on which duty is paid but generally remitted.

DEFICIENCY BILLS. (Fr. *Avances provisoires*, Ger. *kurze Anleihen*, Sp. *Pagarés*, It. *Prestiti provvisori per deficienza d'introiti*.)

These are bills representing loans for short periods advanced to the Government by the Bank of England.

DEL CREDERE COMMISSION. (Fr. *Ducroire*, Ger. *Delcredereprovision*, Sp. *Comisión del credere*, It. *Provvigione premio del credere*.)

The phrase *del credere* is borrowed from the Italian. A *del credere* commission denotes an additional premium charged by a factor or agent, in consideration of which he guarantees the solvency of the purchaser, and becomes personally liable for the price of the goods sold. An agreement to sell upon such a commission need not be evidenced in writing, since it has been held that although the undertaking may result in a liability to pay the debt of another person, that is not the immediate object for which the consideration is given, but merely the appointment of an agent.

DELIVERY BOOK. (Fr. *Livre d'expédition*, Ger. *Lieferungsbuch*, Sp. *Libro de entregas*, It. *Libro di spedizioni e consegne*.)

A delivery book is one in which are entered full particulars of goods forwarded by railway or carrier. The entries are signed by the carman or other person who receives the goods, which thus form receipts for the same.

DELIVERY ORDER. (Fr. *Ordre de livraison*, Ger. *Lieferschein*, Sp. *Orden de entrega*, It. *Mandato, ordine di consegna*.)

This is a written or printed document, made out and signed by the owner of goods stored at a warehouse, dock or wharf, authorising the transfer of such goods to the person named therein. A delivery order is a negotiable instrument, and may be used as a security to bankers and others for advances made by them upon the goods; it must then, however, be lodged at the place named,

and the goods concerned thus transferred to the name of the lender.

The former stamp duty of one penny on a delivery order for goods of the value of 40*s*. and upwards was abolished by the Finance Act, 1905.

DEMAND DRAFT. (D/D). (Fr. *Traite à vue*, Ger. *Sichtwechsel*, Sp. *Libranza á presentación, letra á la vista*, It. *Tratta a vista o a presentazione.*)

A demand draft is a bill of exchange, payable at sight, i.e., on presentation. It does not need any acceptance.

DEMONETISE. (Fr. *Démonétiser*, Ger. *entwerten, ausser Kurs setzen*, Sp. *Retirar de circulación*, It. *Ritirare dalla circolazione.*)

Coins are said to be demonetised when they are removed from the rank of a legal tender to that of "token money." (See *Tender, Token Money.*)

DEMURRAGE. This word has two meanings:—

(1) (Fr. *Surestarie*, Ger. *Liegegeld*, Sp. *Estadías*, It. *Controstallie.*)

Demurrage is a charge made by the owner for the detention of a ship by a merchant, in loading or unloading, beyond the time specified in the charter-party or other agreement with the owner. It is usually stipulated in charter-parties that the freighter may detain the ship for a certain number of days, called lay or running or working days, for loading or unloading, and for a limited time thereafter on paying so much per day for demurrage. During the receiving or discharging of the cargo the merchant is liable for all detention from ordinary causes, even though these are inevitable or beyond his control, whilst the shipowners have the risk of all interruptions from the moment the loading or unloading is completed.

(2) (Fr. *Retard*, Ger. *Lagergeld*, Sp. *Demora*, It. *Dimora.*)

The detention of barges, railway wagons, etc.

DEMY. (Fr. *Carré*, Ger. *Postpapier*, Sp. *Cuadrado*, It. *Carta di piccolo formato.*)

This is the name given to a size of *writing* paper 22 in. × 15½ in.; of *printing* paper, 22 in. × 17½ in.; and of *drawing* paper, 22 in × 17 in.

DEPENDENCIES. (Fr. *Actif susceptible d'accroissement*, Ger. *mögliche Aktiva*, Sp. *Créditos probables*, It. *Crediti probabili.*)

These are assets which are likely to accrue, but which cannot now be exactly determined—such as the profits from an adventure, or a partnership, dividends to be received on stocks and shares, and so on.

DEPOSIT. (Fr. *Dépôt, arrhes*, Ger. *Angeld, Depositum*, Sp. *Depósito*, It. *Deposito.*)

This word is used in various senses, and means:—

(1) Goods or securities placed by one person with another for safe keeping. It is one of the six classes of bailment.

(2) Money placed by one person with another as security for the fulfilment of an agreement, or in part payment on a sale, or as earnest to bind a contract. A deposit is invariably required on the sale of land, or any interest therein, generally 10 per cent. of the purchase price. If the purchaser fails to complete his contract, the vendor is entitled to retain the deposit. Not even the trustee in bankruptcy can reclaim the deposit, should the purchaser fail in carrying out the contract through bankruptcy proceedings being taken against him.

(3) Money lodged with a banker at a fixed rate of interest, either as a permanent investment or for some definite period. The account of the same is kept separate from the ordinary or current account of the depositor. The banker gives a deposit note as a receipt. This document needs no stamp. With respect to his deposit the depositor's right against the banker is simply that of a creditor.

(4) Title-deeds of land placed as security for the repayment of a loan, and creating what is known as an equitable mortgage, when there is no writing in existence to satisfy the 4th section of the Statute of Frauds.

DEPOSIT ACCOUNT. (Fr. *Compte de dépôt*, Ger. *Depositenkonto*, Sp. *Depósito en cuenta*, It. *Conto di deposito.*)

This is an account where sums of money are deposited with bankers, discount houses, and others, at a fixed rate of interest, and withdrawals from the account can only be made upon giving so many days' notice.

DEPOSIT BILL. (Fr. *Billet d'abandon de tabac à priser*, Ger. *Abtretungsschein*, Sp. *Guía de decomiso*, It. *Lettera di deposito e abbandono di tabacco da naso.*)

This is a document used when snuff is abandoned and delivered to the Crown. The bill is filled in with full particulars of the snuff to be abandoned, and is lodged with the Customs at the port of deposit, together with a signed statement that on receipt of the drawback it is intended to abandon the snuff to the Crown.

DEPOSIT RECEIPT. (Fr. *Certificat de dépôt, mandat de dépôt,* Ger. *Depositenschein,* Sp. *Certificado de deposito,* It. *Certificato di deposito.*)

A deposit receipt is a receipt given by bankers, discount houses, and others, for money deposited with them, either at call, or at notice, specifying the interest to be paid and the notice to be given before the money is withdrawn.

DEPOSITOR. (Fr. *Déposant,* Ger. *Deponent, Hinterleger,* Sp. *Depositante,* It. *Deponente.*)

This is the person who makes a deposit.

DEPOT. (Fr. *Dépôt, magasin,* Ger. *Dépôt, Niederlage, Bahnhof,* Sp. *Dépôt, depósito,* It. *Deposito, magazzino, stazione.*)

A depot is a place of deposit, a storehouse, a military station, or a railway terminus.

DEPRECIATION. (Fr. *Dépréciation,* Ger. *Abschreibung, Entwertung,* Sp. *Depreciación,* It. *Deprezzamento.*)

The meaning of this term is diminished value. It is most commonly used in commerce to signify the decline in value of any property, especially buildings, machinery, and plant, which is the natural result of continued usage, lapse of time, and the introduction of fresh methods and new machinery, etc., in any particular business.

An allowance must be made in every business for depreciation, otherwise the fixed capital of the concern will be continually reduced until it reaches a vanishing point. The proper allowance to be made varies with every business and its amount will not always be the same for every year. In book-keeping depreciation is made a charge against the revenue of the business.

DERELICT. (Fr. *Navire abandonné,* Ger. *verlassenes Schiff,* Sp. *Buque abandonada,* It. *Derelitto, nave abbandonata.*)

This is a boat, ship, or goods found abandoned at sea.

By an Act of 1896, every master of a British ship is compelled to notify the existence on the high seas of any floating derelict vessel to Lloyd's. (See *Lloyd's.*)

DESIGNS. (See *Patents.*)

DEVIATION. (Fr. *Changement de route,* Ger. *Abweichung,* Sp. *Desviación de la via,* It. *Deviazione della via.*)

Any divergence from the terms and conditions specified in a policy of marine insurance which thereby discharges the underwriters from their risk, is known as deviation. The only deviations allowed are for the purpose of getting provisions, avoiding capture, repairing damage, and saving life. (See *Charter-party.*)

DEVISEE. (Fr. *Légataire,* Ger. *Vermächtniserbe, Vermächtnisnehmer,* Sp. *Legado,* It. *Legatario.*)

This is the person to whom real estate is given by will. The words of gift generally used are "devise and bequeath," the latter being technically applicable to personal property alone.

DEVISOR. (Fr. *Légateur,* Ger. *Erblasser,* Sp. *Testador,* It. *Testatore.*)

The person who makes a gift of real estate by a will is a devisor.

DIES NON. (Fr. *Jour férié,* Ger. *kein Geschäftstag,* Sp. *Declaración de dia festivo,* It. *Feria.*)

This is a Latin phrase which means a day upon which, owing to some particular circumstance or event, no business can be transacted.

DIFFERENCES. (Fr. *Différences,* Ger. *Unterschiede,* Sp. *Diferencias,* It. *Differenze.*)

This is a term used on the Stock Exchange in connection with transactions in which the operator has no intention of taking up or delivering the stocks or shares dealt in. It is a pure gambling speculation, and the settlement is arrived at by paying or receiving the amount of the rise or fall at the next settling day.

DIME. (Fr. *Dime,* Ger. *Dime,* Sp. *Dime,* It. *Dime, decima parte del dollaro.*)

This is a silver coin of the United States, equal to ten cents. It is the tenth part of a dollar, and its value in English money is about fivepence.

DIRECT EXCHANGE. (Fr. *Change direct,* Ger. *direkter Kurs,* Sp. *Cambio directo,* It. *Cambio diretto.*)

The exchange operations between two countries are said to be direct when there is no reference to any third country.

DIRECT TAXES. (Fr. *Contributions directes,* Ger. *direkte Steuern,* Sp. *Contribuciones directas,* It. *Imposte dirette.*)

These are fixed taxes which are imposed upon and payable directly by individuals.

DIRECTOR. (Fr. *Administrateur, directeur,* Ger. *Direktor,* Sp. *Director,* It. *Direttore.*)

In general, a director is one who has the chief management of a scheme, design, or undertaking. More particularly, he is one of a number of persons chosen by a majority of the proprietors to conduct the affairs of some joint-stock undertaking. The whole of the directors together form the board of directors.

Directors are in a sense trustees for the company, but the essential distinction

between trustees and directors has been judicially declared as follows: "A trustee is a man who is the owner of the property, and deals with it as principal, as owner and master, subject only to an equitable obligation to account to some persons to whom he stands in relation of trustee, and who are his *cestuis que trustent*. The same individual may fill the office of director and also be a trustee having property, but that is a rare, exceptional, and casual circumstance. The office of director is that of a paid servant of the company. A director never enters into a contract for himself, but he enters into contracts for his principal, that is, for the company of whom he is a director, and for whom he is acting. He cannot sue on such contracts, nor be sued on them, unless he exceeds his authority." But they are especially trustees of the powers committed to them—they are the particular agents of the company. They can only exercise the powers conferred upon them by the memorandum and articles of association.

An Act was passed in 1917, the Companies (Particulars as to Directors) Act, which has made it necessary for a return to be made each year to the Registrar of Companies of the full names and addresses of the directors, with particulars as to any change of name or nationality. This is to correspond with the Registration of Business Names Act, 1916, which applies to partnerships.

The number, powers, and method of election of the directors are provided for by the articles of association. If no directors are named therein the subscribers of the memorandum of association are the directors until others are appointed. The remuneration of the directors is similarly provided for.

Owing to the passing of the Registration of Names Act, 1916, which required that certain particulars should be forthcoming as to the partners concerned in businesses, the Companies (Particulars as to Directors) Act, 1917, became a necessity, and under it certain particulars respecting the directors are required to be set out in the annual summary.

Though not legally necessary, a share qualification is invariably provided for in the articles, and it is necessary if a London Stock Exchange quotation is desired. It was a common practice on the part of promoters, etc., to evade this regulation of the Stock Exchange by presenting shares to nominees of their own. But now sections 72 and 73 of the Companies (Consolidation) Act, 1908, have endeavoured to prevent any evasion by the following enactments:—

72.—(1) A person shall not be capable of being appointed director of a company by the articles, and shall not be named as a director or proposed director of a company in any prospectus issued by or on behalf of the company, or in any statement in lieu of prospectus filed by or on behalf of a company, unless, before the registration of the articles or the publication of the prospectus, or the filing of the statement in lieu of prospectus, as the case may be, he has by himself or by his agent authorised in writing—

(i) Signed and filed with the registrar of companies a consent in writing to act as such director; and

(ii) Either signed the memorandum for a number of shares not less than his qualification (if any), or signed and filed with the registrar a contract in writing to take from the company and pay for his qualification shares (if any).

(2) On the application for registration of the memorandum and articles of a company the applicant shall deliver to the registrar a list of the persons who have consented to be directors of the company, and if this list contains the names of any person who has not so consented the applicant shall be liable to a fine not exceeding fifty pounds.

(3) This section shall not apply to a private company nor to a prospectus issued by or on behalf of a company after the expiration of one year from the date at which the company is entitled to commence business.

73.—(1) Without prejudice to the restrictions imposed by the last foregoing section, it shall be the duty of every director who is by the regulations of the company required to hold a specified share qualification, and who is not already qualified, to obtain his qualification within two months after his appointment, or such shorter time as may be fixed by the regulations of the company.

(2) The office of director of a company shall be vacated, if the director does not within two months from the date of his appointment or within such shorter time as may be fixed by the regulations of the company, obtain his qualification, or if after the expiration of such period or shorter time he ceases at any time to hold his qualification: and a person vacating office under this section shall be incapable of being re-appointed director of the company until he has obtained his qualification.

(3) If after the expiration of the said period or shorter time any unqualified person acts as a director of the company, he shall be liable to a fine not exceeding five pounds for every day between the expiration of the said period or shorter time and the last day on which it is proved that he acted as a director.

A director, who is appointed for a limited time, cannot be removed from his position until that time has elapsed, unless there is a special provision in the articles of association to that effect. Similarly he cannot resign.

Liability of Directors.—The directors are personally liable for all acts which are *ultra vires* the company, and they may be responsible for acts which are *intra vires* the company, and yet *ultra vires* the directors. They must, like agents, never place themselves in a position where their duties and their interests are in conflict, otherwise they may be called upon to refund any moneys expended by them, even though the expenditure may appear to be for the benefit of the company. Their duties cannot be delegated.

If the directors or any of them have been parties to the issue and publication of a fraudulent prospectus, any person damnified may bring an action against them for the loss which he has sustained. The action was one for deceit, but after the passing of the Directors Liability Act, 1890, a great change was made in the liability of directors. This Act was somewhat amended by the Companies Act, 1907, and the whole of the provisions are now contained in section 84 of the Companies (Consolidation) Act, 1908. The defences to an action are three, but the burden of proof lies on the defendants, whereas in an action for deceit the burden of proof is upon the plaintiff. The defences are:—

(1) That the directors, etc., believed that the statements contained in the prospectus were true, or had reasonable grounds for doing so, and that they retained the belief up to the time of the allotment of the shares, debentures, or debenture stock, as the case may be.

(2) That the statements set forth were made from the reports or valuations of duly qualified and competent persons, e.g., engineers, valuers, accountants, or other experts, or that they were copied from some official document.

(3) Any director may show that he withdrew his consent to the prospectus, and gave public notice of the fact.

Directors are civilly liable for gross negligence the performance of their duties, for misfeasance and for breach of trust. They may also render themselves liable to a criminal prosecution under section 84 of the Larceny Act, 1861, which runs as follows: "Whosoever being a manager, director or public officer of any body corporate or public company shall make, circulate or publish, or concur in making, circulating or publishing any written statement or account which he shall know to be false in any material particular with intent to deceive or defraud any member, shareholder, or creditor of such body corporate or public company, or with intent to induce any person to become a shareholder or partner therein, or to intrust or advance any property to such body corporate or public company, or to enter into any security for the benefit thereof, shall be guilty of a misdemeanour, and being convicted thereof shall be liable at the discretion of the court to any of the punishments which the court may award as hereinafter last mentioned, i.e., penal servitude for any period between three and seven years, or imprisonment with or without hard labour (and with or without solitary confinement) for a period not exceeding two years.

DIRECTORATE. DIRECTORSHIP. (Fr. *Directorat, direction,* Ger. *Direktorium, Vorstand,* Sp. *Directorio, dirección,* It. *Direzione, direttorato.*)

This term means either:—

(1) The office of a director, or

(2) The body of directors.

DISCHARGED BANKRUPT. (Fr. *Failli déchargé,* Ger. *entlassener Fallit,* Sp. *Fallido descargado,* It. *Fallito scaricato.*)

A bankrupt is said to be discharged when he has been liberated by the court from all liability as to his debts. Any person who has been adjudicated bankrupt may apply for his discharge as soon as his public examination has been concluded. The court will exercise its discretion as to granting, suspending, or refusing the same. (See *Bankruptcy.*)

DISCLAIMER. (Fr. *Désaveu,* Ger. *Verleugnung, Widerspruch,* Sp. *Denegacion,* It. *Sconfessione, ritrattazione.*)

This term is used to signify a renunciation of rights or liabilities.

The word is most frequently used in connection with bankruptcy proceedings. When the property of a bankrupt has passed into the possession of his trustee, all the rights and obligations attached to the same pass along with it.

As the obligations might cause a serious drain upon the assets, the trustee is allowed to disclaim land of any tenure, which is burdened with onerous covenants, contracts, shares, stocks, and every other kind of property which is either unsaleable or not easy to dispose of. The disclaimer must be made in writing, signed by the trustee, and within twelve months of the first appointment of the trustee, or if the property does not come to his knowledge within a month of his appointment, then within twelve months of such knowledge. This period may be extended by leave of the court. But any person interested may apply to the trustee, and compel him to decide within twenty-eight days of the service of a notice upon him whether he intends to disclaim or not. If the trustee fails to arrive at a decision his right to disclaim will be lost. The rights and liabilities attached to any property are determined from the date of the disclaimer, and the trustee is discharged from all personal liability in respect of the same.

Leaseholds cannot be disclaimed without the leave of the court, except in the following cases:—

(1) Where the premises have not been sub-let, or a mortgage or charge created on the lease; and

(*a*) The rent reserved and the real value of the premises is less than £20 per annum; or

(*b*) The estate is being administered as a small bankruptcy; or

(*c*) The lessor has been served with a notice of the intention of the trustee to disclaim, and has not given notice to the trustee that he requires the matter to be brought before the court.

(2) Where the premises have been sub-let, or a mortgage or charge created on the lease, and the trustee has served the lessor and the sub-lessee or the mortgagee, as the case may be, with a notice of his intention to disclaim, and one of the parties has, within fourteen days of the service of the notice, required that the matter shall be brought before the court.

No disclaimer of leaseholds is of any validity until it has been filed in the court.

The liquidator of a joint-stock company has no power to disclaim, since he does not become personally liable for the rents and covenants of leases, and a trustee under a deed of arrangement has no such power, such a trustee succeeding entirely to the whole of the rights and obligations attached to the property comprised in the deed. For this reason it is very rare for leaseholds to be included in deeds of arrangement.

A tenant is said to disclaim when he repudiates the relationship existing between himself and his landlord. Such a disclaimer terminates the tenancy, and renders it impossible for the tenant to set up any defence in an action for ejectment. The disclaimer must be very clear and unambiguous in order to act as a repudiation.

A trustee may, if he has never acted, disclaim his trusteeship as to the whole of his trust. Though no formal act is necessary such a disclaimer is generally made by deed.

DISCOUNT. (Disct.) (Fr. *Escompte*, Ger. *Diskonto*, *Skonto*, Sp. *Descuento*, It. *Sconto*.)

Discount is an allowance made on a bill, or any other debt not yet become due, in consideration of present payment.

This allowance, in the case of a cash discount, depends upon three things:—

(*a*) The period of credit which is generally allowed in a particular trade;

(*b*) The length of the unexpired period of credit at the time when payment is made;

(*c*) The rate per cent. allowed.

The calculation is invariably made as though the allowance to be made was interest upon the sum payable. Thus, if discount is allowed for twelve months at the rate of 5 per cent. upon a debt of £100, the sum of £5 is deducted and the debt is liquidated by the payment of £95. This is what is called banker's discount. In a true calculation of discount, however, the problem is this—What sum will, at the given rate of interest, at the end of the given period, amount to the value of the deferred payment? This is ascertained by finding the amount of £1 for the given time, and dividing the given sum by that amount. The quotient is the correct answer. For example, to find the true discount of £100 to be paid twelve months hence, at the rate of 5 per cent. The amount of £1 is £1·05. Divide £100 by £1·05 and the quotient is £95 4*s*. 9½*d*. Hence the true discount is £4 15*s*. 2½*d*., and not £5 as in banker's discount.

It is thus seen that when a tradesman allows £5 on a debt of £100, he is giving more than 5 per cent. discount. The creditor is the gainer. Similarly when a banker discounts a bill of £100 and pays the holder £95 for it, the

banker will at the maturity of bill, on receiving £100 for it, obtain more than 5 per cent. for the money he has advanced. As a matter of fact, his gain is about $5\frac{5}{19}$ per cent.

The rate of discount varies according to the demand for money, and, in the case of bills, according to the character and credit of the persons who are parties to them.

In some trades an allowance is made, called a trade discount, according to the particular class of trade or goods and irrespective of any time of payment. The rate varies with the extent of the trade done by a particular customer. This method enables a trader to issue what are known as "list prices," which are applicable to all buyers, and the adjustment in prices is made after purchases have been effected. When proving a debt in bankruptcy or in the winding-up of a company, a creditor is bound to deduct all trade discounts, but he is not compelled to allow more than 5 per cent. on the net amount of his claim, which he may have agreed to allow for cash payment.

The term is also applied to the depreciation in value of any investment. Thus, if the market value of a railway share, upon which £100 has been paid, is only £90, it is said to be at a discount of 10 per cent. Conversely, if the market value is higher than the nominal value, it is said to be at a premium.

DISCOUNT, BANK RATE OF. (Fr. *Taux de l'escompte*, Ger. *Bankdiskont*, Sp. *Descuento bancario*, It. *Tasso bancario di sconto*.)

This is the rate charged by the Bank of England for discounting the bills of its customers.

DISCOUNT HOUSES. (Fr. *Bureaux d'escompte*, Ger. *Diskontohauser*, Sp. *Casas de descuento*, It. *Case di sconto, banchi di sconto*.)

Discount houses are those which make it their chief business to discount bills of exchange.

DISCOUNTING A BILL. (Fr. *Escompter*, Ger. *diskontieren*, Sp. *Descontar*, It. *Scontare una cambiale*.)

This signifies the purchase of a bill of exchange by a banker or other person at a settled price, less than the face value of the bill, such price depending upon the rate of discount at the time of the transaction, and upon the credit and reputation of the various parties to the bill.

It is with bills of exchange that the word "discount" is most familiarly used, and the operation of discounting bills is one of the most common and important functions of modern banks. Bills are, in fact, the stock-in-trade of banks, and they are bought and sold with the same readiness as the goods of an ordinary trader. If there is a large supply of good bills, they are the most eligible of banking investments, because their date is fixed, and it is known almost to a certainty when the money advanced, together with interest, will be repaid. The banker who takes a bill charges his profit at the time of the advance, and he is, therefore, the gainer whether the customer draws out the money or not. And it often happens that all the parties to a bill are customers of the same bank. In such a case numerous transactions, by means of cheques, may take place, and there will be nothing but a transfer of credits from one account to another during the time that the bill is running, and the banker will not be called upon to find one single penny in actual coin. The same thing takes place by means of the system of the Clearing House, when the various bankers are members of it.

The rate of discount will depend upon the condition of the money market, and upon the Bank Rate of the Bank of England.

The discount is not calculated upon the principle of true discount, but the customer is charged interest at the discount rate upon the face value of the bill. Discount is more profitable than interest, and the profit rapidly increases with the advance of the rate of discount. Thus, suppose a money lender advances a loan at 25 per cent. interest. For each £100 advanced he would, at the end of the year, receive £125. But suppose he discounts a bill for £100 at the same rate. The advance would be £75, and in return he would receive £25 as interest for the £75, that is, $33\frac{1}{3}$ per cent. The following table shows the difference in profit per cent. in trading by way of interest and discount.

Interest.	*Discount.*	*Interest.*	*Discount*
1	1·010101	8	8·695652
2	2·040816	9	9·890109
3	3·092783	10	11·111111
4	4·166666	20	25·000000
5	5·263157	40	66·666666
6	6·382968	50	100·000000
7	7·526881	100	Infinite

The discounting of a bill must be carefully distinguished from the pledge or deposit of a bill as security. A discounter is a holder for full value, and

he is entitled, on the maturity of the instrument, to recover from any of the parties the amount of the same, in the absence of any such defences as fraud, etc. The position of a pledgee is different. If he sues a third party he sues as trustee for the pledgor. as regards the difference between the amount he has advanced and the amount of the bill. If the pledgor could have sued on the bill, the pledgee is able to recover the whole. But if the title of the pledgor is in any way defective, the pledgee cannot recover more than the amount of his advance, and only then if he has taken the bill without notice of the defect in the title of the pledgor.

DISCRETIONARY ORDER. (Fr. *Ordre facultatif*, Ger. *Vertrauensorder*, Sp. *Autorización discrecional*, It. *Autorizzazione discrezionale.*)

This is an order sent by a speculator to a stockbroker, accompanied by the usual amount of cover, telling him to purchase a certain amount of stock, and leaving to his judgment the stock to purchase.

DISEMBARKMENT. (Fr. *Débarquement*, Ger. *Ausladung*, Sp. *Desembarcación*, It. *Sbarco.*)

Disembarkment is the act of landing goods which have been placed on board a ship.

DISHONOUR. (Fr. *Ne pas faire honneur à*, Ger. *nicht honorieren*, Sp. *Deshonrar*, It. *Disonorare.*)

In commerce, dishonour means the refusal to accept a bill of exchange, or to pay the same when it falls due.

When a bill has been dishonoured by non-acceptance or by non-payment, notice of dishonour must be given to the drawer and each indorser, and any drawer or indorser to whom such notice is not given is discharged, provided that—

(1) Where a bill is dishonoured by non-acceptance, and notice of dishonour is not given, the rights of a holder in due course subsequent to the omission shall not be prejudiced by the omission.

(2) Where a bill is dishonoured by non-acceptance and due notice of dishonour is given, it shall not be necessary to give notice of a subsequent dishonour by non-payment unless the bill shall in the meantime have been accepted.

The following fifteen rules (as set out in section 49 of the Bills of Exchange Act, 1882) must be observed in giving notice of dishonour, in order that the notice may be valid and effectual:—

(1) The notice must be given by or on behalf of the holder, or by or on behalf of an indorser who, at the time of giving it, is himself liable on the bill.

(2) Notice of dishonour may be given by an agent either in his own name, or in the name of any party entitled to give notice whether that party is his principal or not.

(3) Where the notice is given by or on behalf of the holder, it enures for the benefit of all subsequent holders and all prior indorsers who have a right of recourse against the party to whom it is given.

(4) Where notice is given by or on behalf of an indorser entitled to give notice as hereinbefore provided, it enures for the benefit of the holder and all indorsers subsequent to the party to whom notice is given.

(5) The notice may be given in writing or by personal communication, and may be given in any terms which sufficiently identify the bill, and intimate that the bill has been dishonoured by non-acceptance or non-payment.

(6) The return of a dishonoured bill to the drawer or an indorser is, in point of form, deemed a sufficient notice of dishonour.

(7) A written notice need not be signed, and an insufficient written notice may be supplemented and validated by verbal communication. A misdescription of the bill will not vitiate the notice unless the party to whom the notice is given is in fact misled thereby.

(8) Where notice of dishonour is required to be given to any person, it may be given either to the party himself, or to his agent in that behalf.

(9) Where the drawer or the indorser is dead, and the party giving notice knows it, the notice must be given to the personal representative, if there is one, with reasonable diligence.

(10) Where the drawer or the indorser is bankrupt, notice may be given either to the party himself or to the trustee in bankruptcy.

(11) Where there are two or more drawers or indorsers who are not partners, notice must be given to each of them, unless one of them has authority to receive such notice for the others.

(12) The notice must be given within a reasonable time after the bill is dishonoured. In the absence of special circumstances notice will not be deemed to have been given within a reasonable time unless—

(*a* Where the person giving and the person to receive notice reside in the same place the notice is given or sent off in time to reach the latter on the day after the dishonour of the bill.

(*b*) Where the person giving and the person to receive notice reside in different places the notice is sent off on the day after the dishonour of the bill, if there is a post at a convenient hour on that day, and if there is no such post on that day then by the next post thereafter.

(13) Where a bill when dishonoured is in the hands of an agent, he may either himself give notice to the parties liable on the bill, or he may give notice to his principal. If he gives notice to his principal he must do so within the same time as if he were the holder, and the principal upon receipt of such notice has himself the same time for giving notice as if the agent had been an independent holder.

(14) Where a party to a bill receives due notice of dishonour, he has after the receipt of such notice the same period of time for giving notice to antecedent parties that the holder has after the dishonour.

(15) Where a notice of dishonour is duly addressed and posted, the sender is deemed to have given due notice of dishonour, notwithstanding any miscarriage by the post office.

Delay in giving notice of dishonour is excused where the delay is caused by circumstances beyond the control of the party giving notice, and not imputable to his default, misconduct, or negligence. When the cause of delay ceases to operate the notice must be given with reasonable diligence.

By section 50 of the Bills of Exchange Act, 1882, notice of dishonour is dispensed with—

(*a*) When, after the exercise of reasonable diligence, notice cannot be given to or does not reach the drawer or indorser sought to be charged.

(*b*) By waiver express or implied. Notice of dishonour may be waived before the time of giving notice has arrived, or after the omission to give due notice.

(*c*) As regards the drawer in the following cases, viz.:—

(1) Where the drawer and the drawee are the same person.

(2) Where the drawer is a fictitious person or a person not having capacity to contract.

(3) Where the drawer is the person to whom the bill is presented for payment.

(4) Where the drawee or acceptor is as between himself and the drawer under no obligation to accept or pay the bill.

(5) Where the drawer has countermanded payment.

(*d*) As regards an indorser in the following cases, viz.:—

(1) Where the drawee is a fictitious person or a person not having capacity to contract, and the indorser was aware of the fact at the time he indorsed the bill.

(2) Where the indorser is the person to whom the bill is presented for payment.

(3) Where the bill was accepted or made for his accommodation.

The acceptor of a bill is not entitled to any notice of dishonour in order to make him liable upon it.

DISPATCH MONEY. (Fr. *Bon pour vive expédition*, Ger. *Vergütung für schnelle Ladung*, Sp. *Boletín de espedición*, It. *Abbuono, uscita al noleggiatore.*)

This is a chartering term for an allowance of so much a day or so much an hour, sometimes granted by the owners of a vessel to the charterer when the latter has loaded or unloaded a vessel before the stipulated lay days are over.

DISPATCH NOTE. (Fr. *Bulletin d'expédition*, Ger. *Versandschein*, *Paketadresse*, Sp. *Nota de expedición*, It. *Bollettino di spedizione.*)

This is a printed document which should be filled up in writing and forwarded with a parcel sent by post to a foreign country.

DISSECTION. (Fr. *Dissection*, Ger. *Zerlegung*, Sp. *Disección*, It. *Separazione, scomposizione.*)

This is a term in accounts, especially in those of the drapery trade, which is applied to the separation of the accounts of sales and purchases into the various departments of the business.

DISSEISE. (Fr. *Déposséder, dessaisir*, Ger. *widerrechtlich aus dem Besitze setzen*, Sp. *Desembargar*, It. *Spossessare.*)

To disseise is to deprive a person of the seisin or possession of an estate of freehold.

DISSEISIN. (Fr. *Dépossession*, Ger. *widerrechtliche Besitzentsetzung*, Sp. *Deposesión*, It. *Spossessione, spogliazione.*)

This is the act of depriving a person of the seisin or possession of an estate of freehold.

DISSOLUTION OF PARTNERSHIP. (Fr. *Dissolution*, Ger. *Auflösung*, Sp. *Disolución*, It. *Scioglimento di societa.*)

When a firm is broken up, there is said to be a dissolution of partnership, and this may happen either by the voluntary retirement of one or more partners, or by operation of law. For the grounds of dissolution, and the notices that are required to be given, both publicly in the *Gazette*, and privately to those persons who have had business relations with the firm, see *Partnership*.

DISTRAIN. (Fr. *Saisir*, Ger. *pfänden*, Sp. *Embargar*, It. *Sequestrare.*)

To distrain is to seize goods in satisfaction of rent due. The word is sometimes used, though incorrectly, to describe the levying of an execution for the satisfaction of a judgment debt. The two things are quite distinct in their nature, and the rights of an execution creditor are far more limited than those of a distrainor for rent.

DISTRAINOR. (Fr. *Saisissant, huissier*, Ger. *Pfänder*, Sp. *Aguacil judicial*, It. *Usciere giudiziario.*)

This is the person who makes a distraint, or seizure, of the goods of another for rent due.

DISTRAINT or **DISTRESS.** (Fr. *Saisie*, Ger. *Pfändung*, Sp. *Embargo*, It. *Sequestro.*)

In law, this means the act of distraining, or seizing, goods for rent due.

This summary method of procedure, without the intervention of a court of law, gives an enormous power to a landlord, and as it is likely to be abused unless very stringently regulated, various statutes have been passed to keep it properly checked. Any illegality or irregularity will render the distrainor liable to heavy damages.

In order that a right to distrain may exist there must exist the relationship of landlord and tenant between the distrainor and the holder of the premises. The rent must likewise be ascertainable, and some rent must be actually due at the time when the distraint is levied. If it has been agreed that the rent shall be paid in advance, the right to distrain arises as soon as the day for payment has passed. It is often provided in long leases that the last instalment of rent shall be paid some days before the termination of the lease, in order that the landlord may have this right up to the end of the term.

The landlord is the proper person to distrain. But this includes not only the actual legal owner of the premises who let them to the tenant, but any person who has such a property in the same as to entitle him to possession on the termination of the tenancy. Thus, a tenant who sub-lets can distrain, and so can a mortgagee. But it is a rare thing for a landlord to distrain personally. The usual practice is to employ a bailiff, who must be certificated by a county court judge, and who is authorised by some document in writing signed by the landlord.

Generally speaking, a distraint cannot be levied elsewhere than on the premises demised to the tenant, and in some cases during the time the tenancy lasts. Thus, if a notice to quit is given and a tenant holds over, there is no right of distraint for rent which is in arrear at the termination of the tenancy. This is the law as far as tenancies for less than a year are concerned; but if the tenancy is for years the right of distraint may be exercised during the six months following the termination of the tenancy by reason of a statute passed in the reign of Anne. That is also a reason why there is often a stipulation in long leases for the payment of the last instalment of the rent before the termination of the lease, already referred to. But if, the rent being in arrear, the tenant fraudulently or clandestinely removes his goods for the purpose of preventing a distraint, the landlord may follow and take them from the place to which they have been removed within thirty days after such removal. If, however, a sale has taken place in the meantime to a *bonâ fide* purchaser, the goods cannot be seized. But the tenant must still have an interest in the premises at the time the distraint is made, even though he removed them to prevent a distraint, otherwise the landlord will be too late. Thus, in one case, a tenant removed his goods on the last day but one of his tenancy, and it was held that although the goods were removed "fraudulently and clandestinely," the landlord could not follow and seize them after the tenancy had come to an end.

A distraint cannot be made except between sunrise and sunset. As rent is not legally due until the completion of the day upon which it is payable, no distraint is possible until after sunrise on the day after it falls due.

A landlord cannot distrain for more than six years' arrears of rent, unless the tenant has within that time given a written acknowledgment of previous rent being due. If the holding is an agricultural one, only one year's rent can be distrained for, subject to an extension if it has been customary to

defer payment for three or six months. In the case of a bankrupt tenant, a landlord may distrain after the commencement of the bankruptcy, but his claim is only available for six months' rent accrued due prior to the adjudication. If he distrains within three months of the receiving order being made, he must pay the preferential creditors out of the proceeds of the distraint, and become a preferential creditor himself as to any loss he sustains. For whatever balance of rent remains due after a distraint for the six months, the landlord must prove in the bankruptcy proceedings as an ordinary creditor. A distraint against the estate and effects of a company which is being wound up, otherwise than voluntarily, is void. The court may, however, on the application of the landlord or other person, give liberty to distrain, or direct payment of such rent after the commencement of the winding-up, if it is shown that possession has been retained for the benefit of the winding-up.

In levying a distraint the outer door of a house cannot be broken, but if the outer door is open, the person distraining may break the inner doors, or locks, if necessary, to reach goods which are distrainable. If a window is open, entrance may be made through it, and the window itself may be opened further. The breaking or removal of a pane of glass to undo a fastening constitutes the distrainor a trespasser. A fence may be climbed over to get through an open door. A landlord or his agent may not force the padlock of a barn nor the outer door of a granary or stable for the purpose of distraining for rent, and he must not break open gates nor knock down fences to effect his purpose but he is justified in opening doors and locks by turning the key, lifting the latch, drawing the bolt, or using any of the usual methods adopted for gaining access. In every case where the distrainor can enter without committing a trespass or using force, he is justified in his action. The forcible expulsion of a person lawfully distraining from the premises which he has entered will deprive the tenant of his immunity from having his outer door broken in order to regain admittance. The distrainor must call a constable to see that no breach of the peace is committed.

The general rule of law has always been that a landlord is entitled to seize all goods found on the demised premises, whether they are the property of the tenant or of a third person. A lodger first received protection under the Lodgers Protection Act, 1871, by which he was enabled to claim his own goods on taking certain steps specified in the Act. But a great change has been effected by the Law of Distress Amendment Act, 1908, which came into force on the 1st July, 1909. The extreme powers of the landlord have been felt to be a hardship in multitudes of cases, and there has been a desire for many years to put some limit upon them. The Bill was introduced too late in 1908 to permit of a thorough discussion of the amendments in the law which were proposed, and in the end the Act as passed was rather the result of a compromise. This Act provides that the goods of a third party and of an undertenant shall under certain circumstances be privileged from distress, though there is no intention to bring distraint and execution down to the same level. (See *Execution.*) For example, the right to distrain is still to be applicable to goods which are claimed by the wife of a tenant, to goods covered by a bill of sale, to goods obtained under a hire-purchase agreement, and to goods on the premises under such circumstances as to make the tenant of the premises the apparent owner of the same. Moreover, there is a further exception made by the Agricultural Holdings Act, 1908, which is referred to below. There can be no doubt that the intention of the Act is to protect innocent parties who cannot help themselves, and it will probably be extended at no distant date. As it stands at present some of its clauses are most unfortunately worded, and it seems to open the door to much litigation.

The following goods are absolutely privileged from distress:—

(1) Things in actual use. The seizure of these might lead to a breach of the peace.

(2) Fixtures which having been removed cannot be restored to their original condition. At common law sheaves of corn and growing crops could not be distrained: they are now distrainable by statute.

(3) Goods delivered to a person in the way of his trade. The reason of this is that no undue restraint ought to be placed upon trade and commerce.

(4) Perishable goods. Things taken in distraint are really a pledge, and if they cannot be restored they may not be seized. For the same reason loose

money cannot be taken, but it can be seized if it is in a bag, so that the identical coins are able to be restored.

(5) Animals *ferae naturae*. But dogs, deer in a park, birds in cages, etc., are distrainable.

(6) Goods in the custody of the law, as, for instance, a sheriff who has taken possession under a writ of execution.

(7) The goods of an ambassador.

(8) The goods of a lodger. As stated above, this exception is by virtue of the Lodgers Protection Act, 1871, an Act which has been repealed and re-enacted in a fuller form by the Act of 1908. But a lodger must pay any rent that is due from him to his immediate landlord, and for which his landlord would have had the right to distrain. (In any case of difficulty, the lodger should apply to the nearest police court.)

(9) Wearing apparel, bedding, etc., to the value of £5, unless the tenant is holding over, and has refused for seven days to give up possession.

(10) Agricultural machinery.

(11) Frames, looms, etc., used in woollen, cotton, or silk manufacture.

(12) Gas meters belonging to a gas company incorporated by Act of Parliament.

(13) Railway rolling stock in any works belonging to the tenant of the works.

Things which are conditionally privileged can only be taken if the other goods on the premises are insufficient to satisfy the claim of the landlord. Such things are—

(1) Tools of trade. It would be contrary to public policy to allow these to be taken. Of course if they are in actual use they are absolutely privileged.

(2) Beasts of the plough and sheep. Colts, steers, and heifers are not exempt from seizure, nor are beasts of the plough, if the only other subject of distraint is growing crops. Beasts of the plough can always be taken for poor-rates, whether there are other things on the premises or not.

For the protection of agriculturists, the 29th section of the Agricultural Holdings Act, 1908, protects the live stock of any third person which has been brought on to an agricultural holding, as defined by the Act, to be fed at a fair price, so long as there is other sufficient things to distrain upon. Price does not necessarily mean money in this instance. An agreement known as "milk for meat" is sufficient to satisfy the section.

Entry and seizure having been effected, an inventory must be made of so much of the goods as will be sufficient on sale to pay the amount of the rent due. At the foot of the inventory a notice is added to the effect that if the tenant or the owner of the goods does not, within five days after the making of the distraint, replevy the same, they will be appraised and sold to pay the arrears of rent owing by the tenant. The inventory and notice must be served personally on the tenant, or left at the house, or other most conspicuous place on the premises charged with the rent for which the distraint is made. Unless the inventory and notice are duly served the seizure is invalid, and any subsequent sale of the goods will be illegal. The distrainor is entitled to remove the goods, and must keep them in safe custody, but it is usual to leave some person in possession to prevent a removal.

The fees that a bailiff is entitled to charge are given under *Bailiff*.

The tenant has a right to replevy, or redeem, the goods seized up to the time of their sale, upon payment of the costs incurred. The distrainor has no power to sell before the expiration of five complete days after the seizure, and those five days may be extended to fifteen if the tenant makes a request in writing to that effect of the distrainor, and gives security for the extra expenses incurred. There is no obligation upon the landlord to have the goods sold by auction, unless the tenant makes a written demand for this to be done, and the same rule applies to appraisement.

In a technical sense replevin is really a re-delivery of goods, which have been distrained upon, to the tenant or the owner, security being given that an action will be prosecuted against the distrainor for an alleged illegality or irregularity in the levying of the distraint. Proceedings must be taken in the county court, and may be commenced any time after the distraint has been levied before the goods are removed for sale. The registrar of the court will fix the amount of the security that must be given, and this may be either by way of a deposit of money, or of a bond with sureties. As soon as the security is completed the registrar issues a warrant to the high bailiff of the county court directing him to deliver the goods to the tenant or the owner. The action comes

on in its ordinary course, the point at issue being the legality or regularity of the distraint, and the landlord being the defendant.

It has been pointed out that a distraint is only possible upon the demised premises, with an exception in cases of fraudulent and clandestine removals, so long as the tenancy is subsisting, within thirty days of removal. If a landlord fails to obtain satisfaction, or neglects to distrain within the limits set by the law, he must take the same course as any other creditor, and sue in the High Court or a county court for whatever sum is owing to him, and he is not then limited to six years' arrears of rent as he is in the case of distraint.

DISTRIBUTION, STATUTES OF. These are certain statutes of the reigns of Charles II, William III, and Victoria, by which the distribution of the personal property of a person dying intestate is regulated.

After the payment of the debts, and the funeral and testamentary expenses of the deceased, the administrator (who is generally a near relative of the intestate) must divide the estate as follows, subject to this exception, that where the deceased has left a widow, and no children, and the net value of the real and personal estate does not exceed £500, the widow is entitled absolutely to the whole; and, under the same conditions, where the value of the estate exceeds £500, the widow has a first charge upon £500, without any prejudice to her interest and share in the residue of the deceased husband's estate after the payment of the £500.

Survivors of Intestate.	*Manner of Distribution.*
1. Wife and children.	One-third to wife, rest to children, equally, or to their lineal descendants.
2. Wife only.	Half to wife, rest to next of kin in equal degrees to intestate, or to their legal representatives.
3. Husband, with or without children.	Whole to husband.
4. Children and neither husband nor wife.	Equally amongst them.
5. Child and grandchild.	Half to child, half to grandchild, by representation.
6. Father, and any other relatives, but neither husband, nor wife, nor children.	Whole to father.
7. Mother, brothers, sisters.	Equally amongst them.
8. Wife, mother, brothers, sisters, and nieces.	Half to wife, half equally amongst the remainder.
9. Wife, mother, nephews, and nieces.	Half to wife, one-fourth to mother, one-fourth equally amongst the remainder.
10. Wife, brothers, sisters, and mother.	Half to wife, half equally amongst the remainder.
11. Mother only.	Whole to her.
12. Wife and mother.	One-half each.

This list supplies the whole of those claims which will have to be considered in the majority of cases where there is an intestacy. The claims of more distant relatives require further consideration and adjustment. There is no distinction made between children of the whole or of the half blood, and posthumous children take the same interest that they would have taken if born in the lifetime of their father. If advancements have been made to children during the lifetime of the parent, the amounts must be brought into account before the children advanced are entitled to a distributive share in the intestate's estate, unless the sums advanced are of a trifling character.

DISTRINGAS. This is a Latin word, signifying "that you distrain." It was the name of a writ which was issued formerly out of the High Court, to prevent a transfer of stocks or shares, or the payment of dividends upon the same. In place of the writ a notice is now served which fulfils the same object.

The notice which now acts as a distringas is for the purpose of preventing certain persons from dealing with funds in which other persons claim to have an interest. Application is made, in the first instance, to the High Court upon affidavit, and when certain formalities have been completed the notice is served upon the company or body sought to be affected by it. No dealing of any kind can then take place unless an eight days' notice is given to the parties who have claimed to be interested in the funds,

that some transfer, etc., is contemplated. Within these eight days steps must be taken, if it is thought necessary, to obtain further protection, otherwise the effect of the distringas ceases.

DITTO. (Fr. *Dito, idem,* Ger. *ditto,* Sp. *Idem,* It. *Ditto.*)

The meaning of this word, which is often contracted into "do.," is "the same thing repeated," "the same thing as before," "a something in a like manner." It is derived from the Latin, *dictum,* the past participle of *dico,* I say.

DIVIDEND. (Fr. *Dividende,* Ger. *Dividende, Gewinnanteil,* Sp. *Dividendo,* It. *Dividendo.*)

The term "dividend" is applied either to the money which is divided amongst the creditors of a bankrupt out of his estate, or to the annual interest payable upon the National Debt and other public funds, and upon the shares in joint-stock companies.

In declaring a dividend upon the capital of a joint-stock company, the directors ought carefully to bear the following points in mind:—

(1) Dividends cannot be paid out of any fund except profits.

(2) Payment out of capital is *ultra vires,* as such a payment amounts to a reduction of the capital, and no reduction is allowed except with the permission of the court. Recently, however, the law has permitted the payment of interest out of capital, where the business undertaken has been such as to make it certain that the concern cannot be rendered profitable for a considerable period. This mode of payment, which cannot exceed four per cent., is well hedged in, and reference should be made to section 91 of the Companies (Consolidation) Act, 1908, for full particulars.

(3) No authority given by the memorandum or articles of association, or by a general meeting of the shareholders, can over-ride the law on this subject as set out in the Companies Acts.

(4) Directors who are parties to an irregular payment of a dividend are jointly and severally liable to refund the amount of the same.

(5) If the directors are parties to the payment of a fictitious dividend in order to raise the price of the company's shares, they may be criminally indicted for conspiracy.

The dividend paid out of a bankrupt's estate depends upon the assets realised by the trustee. If it appears likely that the whole cannot be collected expeditiously, the trustee should declare and pay dividends from time to time, reserving the final dividend until he has collected the whole of the money which is obtainable.

The dividends payable upon the National Debt and public funds are fixed, and do not vary from year to year like the other two kinds of dividends. Payment is made by a dividend warrant, which is an order or authority, generally issued upon a banker. The warrant must be stamped as a bill of exchange. But stamp duty is not payable upon coupons or warrants for interest which are attached to the security at the time of issue, nor to those warrants for the payment of interest or dividends out of Government funds.

DIVIDEND WARRANT. (Fr. *Coupon de dividende,* Ger. *Dividendenschein,* Sp. *Cédula de dividendo,* It. *Certificato di dividendo, cedola, tagliando.*)

This is an order or authority issued to the holders of stocks and shares, authorising the banker to pay the dividend specified therein.

DOCK. (Fr. *Dock,* Ger. *Dock,* Sp. *Dique, Dársena,* It. *Dock, darsena, magazzino generale.*)

A dock is an enclosed space or artificial basin in the bank of a river or side of a harbour, contrived for the reception of ships. The word is probably derived from *dekken,* to dig or enclose.

DOCK AND TOWN DUES. (Fr. *Droits de dock et de ville,* Ger. *Dock- und Stadtgebühren,* Sp. *Gastós de dique y puertas,* It. *Diritti di dock e di citta.*)

These are peculiar to the port of Liverpool. They are chargeable on most goods exported from, or imported into, that city, the town dues being levied, as it seems, for the use of the port, whether a vessel carrying goods goes into the dock or not.

DOCK DUES. (Fr. *Droits de dock,* Ger. *Dockgebühren,* Sp. *Derechos de dique,* It. *Diritti di dock.*)

Dock dues are the tolls charged on vessels and their cargoes when entering or leaving docks. These dues are charged to cover the interest on the capital and the cost of keeping the docks in order.

DOCK WARRANTS. (Fr. *Warrants de dock,* Ger. *Quaischeine,* Sp. *Warrants de dique,* It. *Ricevute di dock, vaglia di dock.*)

These are the documents which give the title to goods stored or warehoused in docks or other places of deposit. Warrants are granted in favour of any

person whom the proprietor of the goods indicates. They are negotiable instruments, and the indorsement and delivery of a warrant transfers the property in the goods named to the indorsee. On the presentation of the dock warrant, the warehouse keeper is bound to deliver up the goods; but it is the usual practice for the holder of the warrant to leave it at the warehouse, and to take possession of the goods at such times and in such quantities as he requires them by means of delivery orders. Dock warrants are often deposited with bankers as a security for advances. They require a threepenny stamp.

DOCKETS. (Fr. *Bordereaux*, Ger. *Inhaltsangabe*, Sp. *Rótulos extractos*, It. *Listine, cedole.*)

Dockets are slips or tickets. The word is generally applied to summaries of the principal contents of letters and other documents.

DOCUMENT. (Fr. *Document*, Ger. *Dokument, Urkunde*, Sp. *Documento*, It. *Documento.*)

A document is any specific paper or writing.

DOCUMENT BILLS. (Fr. *Billets documentés*, Ger. *Wechsel mit Dokumenten*, Sp. *Documentación*, It. *Cambiali documentate.*)

This term is used to indicate a set of bills of exchange having the bill of lading, invoice, and policy of insurance attached to them, the latter documents being available in the event of the bills of exchange not being duly honoured at maturity.

DOCUMENT CREDIT. (Fr. *Titre de crédit*, Ger. *Kreditdokument*, Sp. *Documento de crédito*, It. *Titolo di credito.*)

This is the name given to a letter of credit when the latter is issued, on condition that certain named securities shall be deposited as a collatoral security for the money advanced.

DOIT. (Fr. *Centime*, Ger. *Deut*, Sp. *Céntimo*, It. *Centesimo, quattrino d'Olanda.*)

A doit is a small piece of Dutch copper money, also called "duit," in value about the eighth part of a stiver, or half a farthing.

DOLLAR. (Fr. *Dollar*, Ger. *Dollar*, Sp. *Peso, duro, dollar*, It. *Dollaro.*)

This is the name of a coin in circulation in the United States and elsewhere. The value of the American dollar, in the scale of coins adopted, is equal to 100 cents, 10 dimes, or one-tenth of an eagle. In exchange its value is about 4*s.* 1½*d.* sterling. The Prussian dollar, or thaler, is worth 3*s.* sterling; in other parts of Germany the value of the dollar varies.

DOMICIL. (Fr. *Domicile*, Ger. *Domizil*, Sp. *Domicilio*, It. *Domicilio.*)

This term does not admit of precise definition, but it may be said to indicate generally the place where a person has his true, fixed, and permanent home, and to which, whenever he is absent, he has the intention of returning at some time or other. It is frequently extremely difficult to decide, where a person changes his place of residence, what is his particular domicil at any particular time; yet it is most important to know it, since it is the law of the domicil which decides the capacity to contract in all the most important private affairs of life. In the ordinary mercantile contracts, perhaps, it is the law of the country where the contract is made which governs the capacity to contract; but the point is not quite free from doubt.

No person can be without a domicil. If he changes his residence from place to place, and has no fixed determination of fixing his permanent abode in any particular country, the law of England presumes that he has reverted to the domicil of his origin. It is the combination of the two things, residence and intention to remain, that are the most important factors in deciding where a person has his domicil, and without these two it is assumed that there is an intention to return to the original abode.

There are three kinds of domicil—origin, choice, and by operation of law. The domicil of origin is that which a person receives at his birth. In the case of a legitimate child, born during the lifetime of its father, the domicil is that of the father at the moment of birth. An illegitimate or posthumous child take the domicil of the mother, whilst a foundling is domiciled in the country where it is born or found. The domicil of choice is that which a person *sui juris* fixes upon for himself, and is acquired by the combination of residence and the intention of permanent or indefinite residence in the new place of abode. The domicil of origin is retained until a domicil of choice is in fact acquired, and the domicil of choice is retained until it is abandoned either by the acquisition of a new domicil of choice, or by the resumption of the domicil of origin. The domicil by operation of law is that which the law presumes, either from the dependent

condition of the person, or from the circumstances of the case, when it is not clear what the exact intentions of the party were as to his future residence. Thus, the domicil of a wife is always the same as that of her husband and the domicil of a minor is that of his parent or guardian. The domicil of a corporation is the place which is considered by law to be the centre of its affairs. In the case of a trading corporation this is its principal place of business, or where its administration is chiefly carried on, and in the case of any other corporation it is the place where its functions are discharged.

Domicil must be kept quite clear from nationality. A foreigner may settle in England with the full intention of remaining here, and yet although domiciled may not become naturalised. He retains his nationality, which is different from his domicil. Nationality is of political importance in many cases, and each country has its own peculiar laws by which its subjects are bound, whatever their domicil, and which it may enforce against them either by international privileges accorded, or on their chance return to their native land. Domicil has to do with commercial and domestic matters simply, and regulates the ordinary transactions of every-day life. The importance of the determination of domicil will be seen more fully in the *Conflict of Laws.*

DOMICILED BILL. (Fr. *Billet domicilié,* Ger. *domizilierter Wechsel,* Sp. *Letra domiciliada,* It. *Cambiale domiciliata.*)

A domiciled bill is one that is not made payable at the residence or place of business of the acceptor, but one wherein the place of payment is inserted at the time of his acceptance.

DONATIO MORTIS CAUSA. This is a Latin phrase, signifying a gift made in contemplation of death. Such a gift is evidenced either by the manual delivery on the part of the donor, or by some other person in his presence and at his request to the donee, or to an agent of the donee, either of the property itself which is the subject of the gift, or of the means of obtaining the same. There is always the implied condition that the gift is only to take place absolutely in the event of the death of the donor from his existing malady before any revocation has been made. Many disputes have arisen as to what may form the subjects of a valid gift of this description. The gift of a bond, a mortgage deed, and a promissory note or cheque payable to the donor or his order, even though not indorsed, have been held to be good *donationes,* but receipts for annuities, railway scrip, and the donor's own cheque cannot be transferred to the donee in this manner.

A *donatio mortis causâ* differs from a legacy in that it takes effect, *sub modo,* from the time of delivery, and requires no assent on the part of the executor. It differs from a gift *inter vivos* in that it is revocable during the lifetime of the donor, is liable to the payment of the debts of the donor on a deficiency of assets, and is subject to estate and legacy duty.

DORMANT BALANCE. (Fr. *Solde inactif,* Ger. *unbenutzter Saldo,* Sp. *Saldo parado,* It. *Saldo morto.*)

This is the name applied to moneys lying to the credit of a customer at a bank and not operated upon for a considerable period.

DORMANT PARTNER. (See *Sleeping Partner.*)

DOUBLE ENTRY. (Fr. *En partie double,* Ger. *doppelte Buchführung,* Sp. *Partida doble,* It. *Partita doppia.*)

This is the system of book-keeping, in which two entries are made of every transaction, in order that the one entry may check the other.

DOUBLOON. (Fr. *Doublon,* Ger. *Dublone,* Sp. *Doblón,* It. *Doblone.*)

A doubloon is the name of a Spanish and Portuguese gold coin of the value of two pistoles. During the eighteenth century the value of the doubloon varied considerably at different times. Prior to 1772, it had been worth as much as £3 1*s.* 10*d.* In that year the pieces were called in, but the coin was subsequently re-issued at the value of £3 4*s.* 8*d.* The *doblon de Isabella,* issued in 1848, was worth £1 0*s.* 8*d.*

DOUCEUR. (Fr. *Gratification,* Ger. *Trinkgeld, Bonus,* Sp. *Gratificación,* It. *Gratificazione.*)

There are various names applied to the reward given by one person to another for the use of the latter's influence in favour of the former in any particular matter. This is one of them.

DRACHMA. (Fr. *Drachme,* Ger. *Drachme,* Sp. *Dracma,* It. *Dramma.*)

This Greek silver coin has the circulating value of about 9½*d.*

DRAFT. The principal senses in which this word is used are the following—

(1) (Fr. *Mandat,* Ger. *Anweisung, Wechsel,* Sp. *Orden,* It. *Tratta o cambiale tratta, effetto.*)

(1) An order by which money is drawn from a bank, and also the money thus drawn.

(2) (Fr. *Esquisse*, Ger. *Skizze*, Sp. *Diseño*, It. *Schizzo, bozzetto.*)

Anything sketched roughly, or in outline.

(3) (Fr. *Brouillon*, Ger. *Entwurf*, Sp. *Borrador*, It. *Sfogliazzo, copione.*)

The first copy of a document.

(4) (Fr. *Tirant*, Ger. *Tiefgang*, Sp. *Calado*, It. *Quanto pesca una nave.*)

The depth to which a ship sinks in the water.

(5) (Fr. *Traite*, Ger. *Tratte*, Sp. *Libranza*, It. *Tratta.*)

A bill of exchange.

(6) (Fr. *Surusage*, Ger. *Gutgewicht*, Sp. *Merma*, It. *Tara.*)

An allowance made by a wholesale merchant or manufacturer to a retailer for dust, waste by evaporation, and the turn of the scale.

DRAIN OF BULLION. (Fr. *Épuisement du numéraire*, Ger. *Goldabfluss*, Sp. *Retiro de especies*, It. *Esaurimento di numerario.*)

This phrase is used in the money market for the flowing away of the reserve of gold and silver, either in specie or in bullion, to such an extent as if not checked, would soon leave insufficient in the country to meet the requirements of trade.

DRAWBACK. (Fr. *Drawback, prime de réexportation*, Ger. *Zollvergutung, Ausfuhrpramie*, Sp. *Drawback, prima de exportación*, It. *Drawback, rimborso del dazio.*)

Drawback is a term used to signify the sum paid back by the Government upon certain classes of goods exported, on which duty has been already paid. The object of this repayment is to enable the exporter to compete in foreign markets on an equal footing with merchants of other nations. If the amount repaid exceeds the sum paid as duty it partakes of the nature of a bounty. Goods upon which drawbacks are to be claimed require to be examined and certified by a revenue officer, on whose certificate a debenture is granted, entitling the owner to receive the drawback, which is allowed only on goods on which the duty has been paid within three years, and can only be demanded within two years of shipment. No other person than the real owner of the article shipped can receive the drawback. No drawback is given on damaged or decayed goods.

DRAWEE. (Fr. *Tiré*, Ger. *Acceptant, Bezogener, Trassat*, Sp. *Aceptador, librado*, It. *Trattario.*)

This is the person upon whom a bill of exchange is drawn. He incurs no liability upon the instrument until he has signed it. He then becomes the acceptor.

The drawee must be named or indicated with reasonable certainty. There may be two or more drawees, but if there are several they must not be alternative or successive.

If the drawee is a fictitious or nonexistent person, or one having no capacity to contract, a holder in due course may treat the instrument either as a bill of exchange or as a promissory note. (See *Acceptance, Acceptor.*)

DRAWER. (Fr. *Tireur*, Ger. *Aussteller, Trassant*, Sp. *Girador, librador*, It. *Traente.*)

This is the person who draws a bill of exchange upon a second person.

The drawer must be a person who has the capacity to incur liability on a bill. If, for instance, a bill is drawn by an infant or a corporation, though there is no liability attaching to either of them, payment may be enforced against any other party thereto.

The drawer of a bill engages that on due presentment it shall be accepted and paid according to its tenor, and that if it is dishonoured he will compensate the holder or any indorser who is compelled to pay it, provided that the requisite proceedings on dishonour have been duly taken.

DRAWN BONDS. (Fr. *Bons à tirer périmés*, Ger. *gezogene Wertpapiere*, Sp. *Bonos sorteados*, It. *Obbligazioni estratte e rimborsate.*)

These are bonds which have been drawn at one of the periodical drawings for payment on a certain date, and after which time all interest upon them will cease.

DRUG IN THE MARKET. (Fr. *Ce qui ne se vend pas, dur à la vente, vieille marchandise invendable*, Ger. *unverkäufliche Waren*, Sp. *Cosa invendible*, It. *Scarto, robaccia.*)

Goods of any description are said to be a drug in the market when the supply is so great as to cause them to be quite unsaleable. The term is also applied to any unsaleable commodity that lies on hand.

DRY DOCK. (Fr. *Bassin d'échouage*, Ger. *Trockendock*, Sp. *Dique seco*, It. *Bacino di carenaggio.*)

This is a dock from which water is

withdrawn, and in which vessels can be repaired.

DRY GOODS. (Fr. *Denrées sèches, étoffes,* Ger. *Ausschnittwaren,* Sp. *Mercancias,* It. *Derrate secche.*)

These include drapery as distinguished from grocery.

DRYSALTER. (Fr. *Saleur,* Ger. *Fleischwarenhändler, Farbwarenhändler,* Sp. *Escabechero,* It. *Negoziante di salumi e droghe.*)

This is a dealer in salted or dried meats, pickles, etc.; or in gums, dyes, and drugs.

DUES. (Fr. *Frais, magasinage,* Ger. *Gebühren,* Sp. *Gastos,* It. *Spese di magazzinaggio.*)

This term is applied to charges made for the temporary use of docks or warehouses.

DUNNAGE. (Fr. *Fardage,* Ger. *Schiffsgarnierung, Sp. Defensa,* It. *Pagliuolo, difesa, riparo.*)

Dunnage is the name given to pieces of wood, planks, matting, and every other kind of article, used for the purpose of stowing and protecting the cargo of a vessel, and also for the protection of the vessel itself.

DUODECIMALS. (Fr. *Duodécimales,* Ger. *Duodezimale,* Sp. *Duodecimales,* It. *Duodecimali.*)

The term "duodecimals" is used when computations are made by means of twelves. It is a kind of calculation used principally by builders.

DUODECIMO. (Fr. *In-douze,* Ger. *Duodezformat,* Sp. *Duodécimo,* It. *Duodecimo.*)

The usual contraction of this word is 12mo. It signifies a book formed of sheets folded so as to make twelve pages.

DUPLICATE. (Fr. *Duplicata,* Ger. *Duplikat, Kopie,* Sp. *Duplicado,* It. *Duplicato.*)

This is a copy, transcript, or counterpart.

DUTCH AUCTION. (Fr. *Adjudication au rabais,* Ger. *holländische Versteigerung,* Sp. *Almoneda,* It. *Asta, aggiudicazione al ribasso.*)

A Dutch auction is one in which an article is put up at a certain price which is gradually lowered until some person closes with the offer.

DUTIES. (Fr. *Droits,* Ger. *Zölle,* Sp. *Derechos,* It. *Diritti di dazio.*)

Taxes are often called duties when they are levied upon merchandise and manufactures. Those which are imposed upon goods coming into a country are called customs, those levied upon articles of home manufacture are called excise. The amount of duties varies from time to time, owing to the exigencies of national expenditure. (See *Customs.*)

E. This letter occurs in the following abbreviations:—

E.E., Errors Excepted.

e.g., For Example (Lat. *exempli gratiâ*).

E. & O. E., Errors and Omissions Excepted.

Ex. d., or x/d, Ex-Dividend.

Ex. cp., or xcp., Ex-Coupon.

Ex.-Int., Ex-Interest.

EARNEST, or **EARNEST MONEY.** (Fr. *Arrhes,* Ger. *Handgeld, Kaufschilling,* Sp. *Señal,* It. *Caparra.*)

A sum of money, generally nominal, given in token of a concluded bargain.

Earnest is one of the requirements of the Sale of Goods Act, 1893, as evidence of the sale of goods of the value of £10 or upwards.

EJECTMENT. (See *Landlord and Tenant.*)

ELEGIT. This is the name of a writ issued after judgment, ordering the sheriff to place the execution creditor in possession of the whole of the lands of the debtor, which are to be held until the judgment is satisfied. Formerly the sheriff was enabled to seize the goods of the debtor as well as his lands under this writ, but a writ of elegit no longer extends to goods. No judgment affects land so as to form a charge upon it until it has been actually taken in execution by the sheriff.

EMBARGO. (Fr. *Embargo,* Ger. *Beschlag, Embargo,* Sp. *Embargo,* It. *Embargo, sequestro di una nave.*)

This is a Government prohibition of ships from leaving a port for a certain time, or a stoppage of trade between certain ports by authority. The prohibition is generally imposed by belligerent states in time of war.

EMPLOYERS LIABILITY ACT, 1880. At common law no employer is liable for any injury to one of his servants, unless it is proved that he has been guilty personally of negligence, and that such negligence has really caused the accident. This is in many cases a great hardship to a servant, for with business growing more and more complex, and the number of persons employed in any particular trade continually increasing, an employer is bound to appoint subordinates to positions of superintendence, and to leave the main control in many hands. It was judicially held, more than half-a-century ago, that all

persons engaged by an employer were in a position of common employment. It is, therefore, obvious that at common law a workman could rarely have a remedy in the case of accident, because the employer did not interfere with the details of the business, and there was no duty on the part of one servant to exercise care in matters which might concern the safety of another. And in the case of companies and corporations it is clear that no claim for compensation could ever arise, since the actual employer took no part in the working of the business at all.

It was to remedy this defect of the common law that the Act of 1880 was passed. It has not destroyed the doctrine of common employment altogether, but it has made the employer responsible for the acts of those of his subordinates who are placed in a position of superintendence, or in charge of machinery, plant, etc., whether their position is one of superintendence or not. The Employers Liability Act does not go so far as the Workmen's Compensation Act, 1906, and although it may often be an advantage to choose the former Act as a remedy instead of the latter, the proposed litigant should weigh his chances very carefully before making his choice. If by any error he makes a mistake and proceeds under the Act of 1880 when he should have selected the 1906 Act, the injured workman is not necessarily deprived of all relief. He may still be compensated, but a first charge on the amount of compensation awarded will be the costs thrown away by the mistaken litigation.

A well-known authority on the subject has thus summed up the general effect of the Act. "Before the Act was passed a workman could only recover, if injured in his employment, when he could prove that the employer has personally been guilty of negligence which led to the injury, and which in the case of large employers was almost, and in the case of corporations quite impossible. Now, he will also be *primâ facie* entitled to recover where the employer—be he private employer or corporation—has delegated his duties or powers of superintendence to other persons, and such other persons have caused injury to the workmen by negligently performing the duties and powers delegated to them."

The duration of the Act was limited in the first instance to seven years, but it has since been kept in force year by year by being inserted annually in the Expiring Laws Continuance Act.

There are some difficult technical points to be considered in connection with the Act, but the text itself gives a fairly clear idea of the responsibility imposed upon an employer, and of the duties which devolve upon his subordinates. It is accordingly given *in extenso.*

1. Where after the commencement of this Act personal injury is caused to a workman

(1) By reason of any defect in the condition of the ways, works, machinery, or plant connected with or used in the business of the employer ; or

(2) By reason of the negligence of any person in the service of the employer who has any superintendence entrusted to him, whilst in the exercise of such superintendence ; or

(3) By reason of the negligence of any person in the service of the employer to whose orders or directions the workman at the time of the injury was bound to conform, and did conform, where such injury resulted from his having so conformed ; or

(4) By reason of the act or omission of any person in the service of the employer done or made in obedience to the rules or by-laws of the employer, or in obedience to particular instructions given by any person delegated with the authority of the employer in that behalf ; or

(5) By reason of the negligence of any person in the service of the employer who has the charge or control of any signal, points, locomotive engine, or train upon a railway,

the workman, or in case the injury results in death, the legal personal representatives of the workman, and any persons entitled in case of death, shall have the same right of compensation and remedies against the employer as if the workman had not been a workman of nor in the service of the employer, nor engaged in his work.

2. A workman shall not be entitled under this Act to any right of compensation or remedy against the employer in any of the following cases, that is to say :—

(1) Under sub-section one of section one, unless the defect therein mentioned arose from, or had not been discovered or remedied owing to the negligence of the employer, or of some person in the service of the employer, and entrusted by him with the duty of seeing

that the ways, works, machinery, or plant were in proper condition.

(2) Under sub-section four of section one, unless the injury resulted from some impropriety or defect in the rules, by-laws, or instructions therein mentioned; provided that where a rule or by-law has been approved or has been accepted as a proper rule or by-law by one of His Majesty's Principal Secretaries of State, or by the Board of Trade, or any other department of the Government under or by virtue of any Act of Parliament, it shall not be deemed for the purposes of this Act to be an improper or defective rule or by-law.

(3) In any case where the workman knew of the defect or negligence which caused his injury, and failed within a reasonable time to give, or cause to be given, information thereof to the employer or some person superior to himself in the service of the employer, unless he was aware that the employer or such superior already knew of the said defect or negligence.

3. The amount of compensation recoverable under this Act shall not exceed such sum as may be found to be equivalent to the estimated earnings, during the three years preceding the injury, of a person in the same grade employed during those years in the like employment and in the district in which the workman is employed at the time of the injury.

4. An action for the recovery under this Act of compensation for an injury shall not be maintainable unless notice that injury has been sustained is given within six weeks, and the action is commenced within six months from the occurrence of the accident causing the injury, or, in case of death, within twelve months from the time of death: provided always, that in the case of death, the want of such notice shall be no bar to the maintenance of such action if the judge shall be of opinion that there was reasonable excuse for such want of notice.

5. There shall be deducted from any compensation awarded to any workman, or representatives of a workman or persons claiming by, under, or through a workman in respect of any cause of action arising under this Act, any penalty or part of a penalty which may have been paid in pursuance of any other Act of Parliament to such workman, representatives, or persons in respect of the same cause of action; and where an action has been brought under this Act by any workman, or the representatives of any workman, or any persons claiming by, under, or through such workman, for compensation in respect of any cause of action arising under this Act, and payment has not previously been made of any penalty or part of a penalty under any other Act of Parliament in respect of the same cause of action, such workman, representatives, or person shall not be entitled thereafter to receive any penalty or part of a penalty under any other Act of Parliament in respect of the same cause of action.

6. (1) Every action for recovery of compensation under this Act shall be brought in a county court, but may, upon the application of either plaintiff or defendant, be removed into a superior court in like manner and upon the same conditions as an action commenced in a county court may by law be removed.

(2) Upon the trial of any such action in a county court before the judge without a jury, one or more assessors may be appointed for the purpose of ascertaining the amount of compensation.

(3) For the purpose of regulating the conditions and mode of appointment and remuneration of such assessors, and all matters of procedure relating to their duties, and also for the purpose of consolidating any actions under this Act in a county court, and otherwise preventing multiplicity of such actions, rules and regulations may be made, varied and repealed from time to time in the same manner as rules and regulations for regulating the practice and procedure in other actions in county courts.

County court shall, with respect to Scotland, mean the Sheriff's Court, and shall, with respect to Ireland, mean the Civil Bill Court.

In Scotland any action under this Act may be removed to the Court of Session at the instance of either party, in the manner provided by, and subject to the conditions prescribed by, section nine of the Sheriff Courts (Scotland) Act, 1877.

In Scotland the sheriff may conjoin actions arising out of the same occurrence or cause of action, though at the instance of different parties and in respect of different injuries.

7. Notice in respect of an injury under this Act shall give the name and address of the person injured, and shall state in ordinary language the cause

of the injury and the date at which it was sustained, and shall be served on the employer, or, if there is more than one employer, upon one of such employers.

The notice may be served by delivering the same to or at the residence or place of business of the person on whom it is to be served.

The notice may also be served by post by a registered letter addressed to the person on whom it is to be served at his last known place of residence or place of business; and, if served by post, shall be deemed to have been served at the time when a letter containing the same would be delivered in the ordinary course of post; and, in proving the service of such notice, it shall be sufficient to prove that the notice was properly addressed and registered.

Where the employer is a body of persons corporate or unincorporate, the notice shall be served by delivering the same at or by sending it by post in a registered letter addressed to the office, or, if there be more than one office, any one of the offices of such body.

A notice under this section shall not be deemed invalid by reason of any defect or inaccuracy therein, unless the judge who tries the action arising from the injury mentioned in the notice shall be of opinion that the defendant in the action is prejudiced in his defence by such defect or inaccuracy, and that the defect or inaccuracy was for the purpose of misleading.

8. For the purposes of this Act, unless the context otherwise requires,—

The expression "person who has superintendence entrusted to him," means a person whose sole or principal duty is that of superintendence, and who is not ordinarily engaged in manual labour;

The expression "employer" includes a body of persons corporate or unincorporate;

The expression "workman" means a railway servant and any person to whom the Employers' and Workmen's Act, 1875, applies.

The burden of proof is always on the workman to prove some negligence on the part of the employer or of a person in a position of superintendence, but sometimes the circumstances are such that the law will presume negligence without any special proof being adduced. The legal maxim *res ipsa loquitur*, the thing speaks for itself, applies. In the same way an employer is not prevented by anything in the Act from setting up the defences of contributory negligence on the part of the workman, or that the workman has voluntarily and knowingly accepted the risks of the employment. As to the former, it has been well said that a plaintiff cannot recover damages if, but for his own negligence, the accident would not have happened, though there was negligence on the part of the defendant. As to the latter, it is really a question for a jury to decide whether the workman has placed himself in such a position as to preclude him from making a claim for injuries upon his employer. In one of the leading cases upon this point, it was said: "It is no doubt true that the knowledge on the part of the injured person, which will prevent him from alleging negligence against the employer, must be a knowledge under such circumstances as leads necessarily to the conclusion that the whole risk was voluntarily incurred. The maxim, be it observed, is not *scienti non fit injuria*, but *volenti*. It is plain that such knowledge may not be a conclusive defence—but where the danger is one incident to a perfectly lawful use of his own premises, neither contrary to statute nor common law, where the danger is visible and the risk appreciated, and where the injured person, knowing and appreciating both risk and danger, voluntarily encounters them, there is, in the absence of further acts of omission or commission, no evidence of negligence on the part of the occupier at all. Knowledge is not a conclusive defence in itself. But when it is a knowledge under circumstances that leave no inference open but one—namely, that the risk has been voluntarily encountered—the defence seems to me complete."

It will be seen from the wording of the Act that this is an exception to the common law maxim, *actio personalis moritur cum personâ*.

An important point is made of the notification of the accident from which the injury arises. Unless some strict limit of time were imposed, an employer might be deprived of the opportunity of collecting evidence and preparing his defence, or be seriously hampered in the same.

A workman may, if he chooses to do so, contract himself out of this particular Act, but seeing the great advantages conferred by the new Workmen's

Compensation Act this will not avail the employer to any extent (See also *Workmen's Compensation Act*, 1906)

From the county court there is a right of appeal to the Divisional Court of the High Court of Justice, and afterwards, by leave, to the Court of Appeal and to the House of Lords.

As to insurance against employers' liability, see *Life Insurance Companies Act*.

EMPORIUM. (Fr. *Entrepôt*, Ger. *Handelsplatz*, Sp. *Deposito*, It. *Emporio*.)

This is the name given to receptacles, in which wholesale merchants are accustomed to stow their goods in seaport or other towns. It is derived from the Greek, *emporion*, a trading-place.

ENDORSE. (See *Indorse*.)

ENDORSEMENT. (See *Indorsement*.)

ENDOWMENT. (Fr. *Dotation*, Ger *Aussteuer*, Sp. *Dote*, It. *Dotazione, dote*.)

This term denotes the application of a fixed sum of money for some special purpose, or the creation of a fund to provide for the maintenance of a charity or public institution. It also signifies a fixed sum of money, payable at the end of a certain number of years, in the event of a person surviving the given time.

Endowment policies are now greatly favoured in life insurances. The premiums are only payable for a stated number of years, it the assured lives so long, whilst the amount for which the insurance is effected is payable at the end of a fixed number of years, or at death, whichever happens first.

ENFACED PAPER. (Fr. *Rente indienne*, Ger. *indische Schatzscheine*, Sp. *Pagaré del gobierno colonial*, It. *Rendita indiana*.)

This name is given to the promissory notes of the Indian Government, known in the market as "rupee paper," when they bear a notification that the interest upon them can be collected by presenting the notes at the Bank of England. The interest is paid by drafts payable in India, and these are readily bought at the current rate of exchange by money dealers and others, and sold to parties having remittances to send out there.

ENTERED AT STATIONERS' HALL. (Fr. *Enregistré*, Ger. *auf der Buchhandlerbörse eingeschrieben*, Sp. *Registrado*, It. *Registrato*.)

This expression, which is still to be seen upon certain books and other publications, means that the work has been registered in the books at Stationers' Hall, which was a proof of the title and the date of publication, and that any person infringing rights in them could be proceeded against immediately for infringement of copyright. Registration was done away with when the Copyright Act of 1911 came into force in 1912, and the present note therefore refers to something that is now obsolete, except in so far as it is connected with books, etc., which were published prior to the date of the new law and regulations as to copyright.

ENTREPOT. (Fr. *Entrepôt*, Ger. *Entrepôt*, Sp. *Entrepôt, depósito*, It. *Deposito franco, magazzino doganale*.)

The term "entrepôt" is derived from the French, among whom it properly signifies a bonded warehouse, or a place where goods from abroad may be deposited, and whence they may again be withdrawn for export without the payment of any duty. In common language it has come to designate a seaport or a commercial town, through which the exports and imports of a large district pass.

ENTRY. (Fr. *Déclaration d'entrée*, Ger. *Zolldeklaration*, Sp. *Entrada*, It. *Dichiarazione alla dogana*.)

The term "entry" means the registry of a ship or of goods at the Custom House.

For the purpose of keeping an exact record of the exports and imports, all articles sent out of or brought into this country must be declared or entered in some shape or form, even though the goods are not liable to pay any duty upon importation.

ENTRY FOR WAREHOUSING. (Fr. *Bons d'entrée en entrepôt*, Ger. *Entrepôtschein*, Sp. *Guias de almacenaje*, It. *Bolletta d'accompagnamento in deposito franco*.)

This is a Custom House document issued when dutiable goods are imported, but are to be stored in a Government or Bonded Warehouse until required for use. It is filled in by the importer, and fully describes the goods, so that they may be removed in the regular way from the import ship to the warehouse desired.

ENTRY OUTWARDS. (Fr. *Déclaration de sortie*, Ger. *Ausgangsdeklaration*, Sp. *Declaración de salida*, It. *Dichiarazione di uscita*.)

Before a vessel commences to load a cargo for a foreign port, she must "enter out" at the Custom House. The master or agent puts in a form stating the proposed destination. The outwards entry is called a specification. Entries are of various kinds:—

1. Free entry, for goods not liable to duty.

2. Entry for home use, for dutiable goods upon which duty is paid immediately. This is also known as a "prime entry," and if, on examination of the goods by the Custom officers before delivery, it is found that insufficient duty has been paid, a supplementary entry, called a "post entry" must be passed.

3. Entry for warehousing (*q.v.*).

EQUATED TIME. (See *Average due date.*)

EQUITABLE EXECUTION. (See *Action.*)

EQUITABLE MORTGAGE. (See *Mortgage.*)

EQUITY OF REDEMPTION. (See *Mortgage.*)

ERRORS EXCEPTED or ERRORS AND OMISSIONS EXCEPTED. (Fr. *Sauf erreur*, Ger. *Irrtum vorbehalten*, Sp. *Salvo error*, It. *Salvo errore, salvo errore ed omissione.*)

These words, generally abbreviated into E.E. or E. & O. E., are frequently written at the foot of invoices and accounts by merchants and others in order that they may legally be entitled to correct any errors or omissions which may afterwards be discovered.

ESCHEAT. (Fr. *Déshérence*, Ger. *Heimfall*, Sp. *Desherencia*, It. *Successione per confisca o per mancanza di eredi diretti.*)

This is property which falls to the lord of the manor or to the Crown, owing to failure of heirs or through forfeiture.

ESTATE. (Fr. *Biens*, Ger. *Vermögen*, Sp. *Bienes*, It. *Sostanze, beni, proprietà, patrimonio.*)

The term "estate" is usually applied to the aggregate of things possessed by a certain person, including his goods, money, and property of every kind.

Colloquially, the lands, houses, etc., of a landlord are spoken of as his estate, and the same word is used to represent the assets of a deceased person or a bankrupt.

Technically, estate signifies the amount or quantity of interest which a person possesses in property, as when land is said to be held in fee simple, fee tail, or for a life estate.

ESTATE DUTY. (Fr. *Droit de succession*, Ger. *Erbsteuer*, Sp. *Derechos de sucesión*, It. *Diritti di successione.*)

A duty created by the Finance Act, 1894, and regulated by various Acts since that date. It is the duty which is imposed upon the principal value of all property, real or personal, settled or not settled, which passes on the death of any person after August 2, 1894.

Prior to the year 1894 there were six different death duties payable probate, account, legacy, succession, additional succession, and estate. The probate, account, and additional succession duties were abolished by the Finance Act of 1894, and the new estate duty established. Legacy and succession duties are still payable, though the estate duty is the first charge.

Property passing on the death of a person is deemed to include the following:-

(*a*) Property of which the deceased was at the time of his death competent to dispose.

(*b*) Property in which the deceased or any other person had an interest ceasing on the death of the deceased, to the extent to which a benefit accrues or arises by the cesser of such interest; but exclusive of property the interest in which of the deceased or other person was only an interest as holder of an office, or recipient of the benefits of a charity, or as a corporation sole.

(*c*) Gifts of property, real or personal, such as *donationes mortis causâ*, made within a year preceding the death.

(*d*) Gifts of property, real or personal, *inter vivos*, even though made more than twelve months preceding the death, if some interest or benefit has been reserved to the donor, either by contract or otherwise.

(*e*) Any annuity or other interest purchased or provided by the deceased, either by himself alone or in concert or by arrangement with any other person, to the extent of the beneficial interest accruing or arising by survivorship or otherwise on the death of the deceased.

In order to avoid difficulties which had arisen as to (*d*), the Finance Act, 1900, has enacted that in the case of every person dying after March 31, 1900, property, real or personal, in which the deceased or any other person had interest for the life of the deceased, is to be deemed to pass on the death of the deceased, notwithstanding that the interest has been surrendered, assured, divested, or otherwise disposed of, whether for value or not, to or for the benefit of any person entitled to an estate or interest in remainder or reversion in such property, unless the surrender or disposition was made or effected *bonâ fide*, and possession assumed *bonâ fide* twelve months before the death of the deceased.

It will be seen that the disposition of property with the idea of avoiding the death duties is attended with considerable risk. The donor's estate may not, after all, escape the duties, and if the donor survives the donee either the donor may lose any benefit for which he has privately stipulated, or he may be called upon to pay succession or legacy duty upon his own property which has reverted to him by the will, or otherwise, of the deceased donee.

Immovable, that is, real property situated out of the United Kingdom, is not chargeable with estate duty. Movable property situated out of the United Kingdom is not chargeable where the deceased was owner and was domiciled out of the United Kingdom at the time of his death. But estate duty is payable if the deceased was the owner and was domiciled in the United Kingdom when he died. Estate duty is also payable, generally, where the deceased was only interested for life, and at his death the property formed the subject of a British trust or vested in a British trustee.

The following property, even though situated in the United Kingdom, is expressly exempted from estate duty:—

(1) Settled property of every description in respect of which estate duty has been paid since the date of the settlement, unless the deceased was, at the time of his death, or had been previously, competent to dispose of it.

(2) Property held by the deceased as a trustee for another person under a trust not created by the deceased, or under a trust created by the deceased more than twelve months before his death, and the beneficiary had possession and enjoyment of the property immediately after the creation of the trust, and continued to hold it to the exclusion of the deceased.

(3) Property passing for a full money consideration.

(4) Property of common seamen, marines, and soldiers dying in the service of the Crown.

(5) Estates the value of which does not exceed £100.

(6) Survivorship annuities of less than £25.

(7) Reversionary interests upon which the estate duty has been commuted.

(8) Pensions and annuities payable by the Indian Government to widows or children of deceased officers.

(9) Advowsons or church patronage.

(10) Property settled by a husband on his wife, or *vice versâ*, and reverting on the death to the original settlor.

(11) Works of art, scientific collections, prints, manuscripts, etc., or other things not yielding income, either given for national purposes, or which appear to the Treasury to be of national, scientific, or historical interest, and settled so as to be enjoyed in kind in succession by different persons; provided that the exemption from estate duty will only continue so long as the property is unsold or does not come into the possession of a person competent to dispose of it.

By the Finance Act, 1919, the scale of estate duty is as follows :—

Value of Estate.				Rate per cent. charged.
Exceeds	£100	and does not exceed	£500	1
,,	£500	,,	£1,000	2
,,	£1,000	,,	£5,000	3
,,	£5,000	,,	£10,000	4
,,	£10,000	,,	£15,000	5
,,	£15,000	,,	£20,000	6
,,	£20,000	,,	£25,000	7
,,	£25,000	,,	£30,000	8
,,	£30,000	,,	£40,000	9
,,	£40,000	,,	£50,000	10
,,	£50,000	,,	£60,000	11
,,	£60,000	,,	£70,000	12
,,	£70,000	,,	£90,000	13
,,	£90,000	,,	£110,000	14
,,	£110,000	,,	£130,000	15
,,	£130,000	,,	£150,000	16
,,	£150,000	,,	£175,000	17
,,	£175,000	,,	£200,000	18
,,	£200,000	,,	£225,000	19
,,	£225,000	,,	£250,000	20
,,	£250,000	,,	£300,000	21
,,	£300,000	,,	£350,000	22
,,	£350,000	,,	£400,000	23
,,	£400,000	,,	£450,000	24
,,	£450,000	,,	£500,000	25
,,	£500,000	,,	£600,000	26
,,	£600,000	,,	£800,000	27
,,	£800,000	,,	£1,000,000	28
,,	£1,000,000	,,	£1,250,000	30
,,	£1,250,000	,,	£1,500,000	32
,,	£1,500,000	,,	£2,000,000	35
,,	£2,000,000			40

The duty is calculated upon the exact net principal value of the estate, including the shillings and pence. Where the gross value is less than £300, a fixed duty of £1 10*s.* may be paid, and where it is between £300 and £500, a fixed duty of £2 10*s.* may be paid. But the executor or successor has the option of paying on the *ad valorem* scale. In cases of doubt the latter should be done ; because if it should turn out that the estate is of greater value than £500, and the fixed duty only has been paid, the *ad valorem* duty according to the true

value is payable, and no allowance is made for the duty paid at first.

Where the net value of the property, real and personal, in respect of which estate duty is payable exclusive of property settled otherwise than by the will of the deceased, does not exceed £1,000, such property, for the purpose of estate duty, is not to be aggregated with any other property, but is to form an estate of itself; and where the fixed duty or estate duty has been paid upon the principal value, the settlement estate duty and the legacy and succession duties are not payable under the will or intestacy of the deceased in respect of that estate.

The executor or the administrator is required to furnish particulars of all the property of the deceased. The necessary forms and copies of the affidavit required can be obtained free of cost from Somerset House, or from any Money Order Office outside the Metropolitan Postal District. Full particulars are given as to the method of arriving at the value of the estate of the deceased, and as to the deductions which are allowed from the gross amount. The principal of these deductions are reasonable funeral expenses, debts, and incumbrances. Other limited deductions are allowed where property is situated out of the United Kingdom, and its administration or realisation necessitates increased expense, and if any death duty is payable in a foreign country where the property is situated, the amount of the duty is to be deducted from the principal value of the property.

The executor or administrator is the person primarily accountable for the estate duty chargeable upon the personal property, and he may also pay the estate duty upon any other property under his control; and he may even pay it upon property not under his control if the persons accountable for the estate duty request him to do so. Where property passes, however, on the death of the deceased, and the executor is not accountable for the estate duty thereon, every person to whom such property passes for a beneficial interest in possession, and likewise, to the extent of the property actually received or disposed of by him, every trustee, guardian, committee, or other person in whom any interest in the property so passing or the management thereof is at any time vested, not being merely an agent or bailiff, and every person in whom the same is vested in possession by alienation or other derivative title, is accountable for the estate duty on the property. This liability to account does not, however, extend to a *bonâ fide* purchaser for valuable consideration.

The estate duty is due and payable upon the delivery of the account by the representatives, or at the expiration of six months from the death of the deceased, whichever happens first. Until payment is made simple interest at the rate of 3 per cent. is charged upon the estate duty, and if the payment is delayed beyond six months the rate of interest is raised to 4 per cent.

At the option of the person delivering the account, the estate duty payable upon real property may be paid by eight equal yearly instalments or sixteen half-yearly instalments, with interest at the rate of 3 per cent. per annum from the date at which the first instalment is due, and which instalment becomes due at the expiration of twelve months from the death. The interest on the unpaid portion of the duty is added to such instalment and paid accordingly. If the real property is sold the estate duty is payable on the completion of the sale.

The general residue of the estate of the deceased is the portion of his property out of which the estate duty is payable.

In the valuation of the property liable to estate duty, the principal value is to be obtained by ascertaining the price which, in the opinion of the Commissioners of Inland Revenue, the property would realise in the open market at the date of the death of the deceased. If the property is agricultural, the estimated value is not to exceed twenty-five years' purchase of the property, as assessed under schedule A of the Income Tax Acts, and after deducting 5 per cent. for the expenses of management. Any disputes as to the valuation of the property may be referred to the High Court, or to a county court where the amount is less than £10,000. There is a right of appeal to the Court of Appeal.

ESTIMATE. (Fr. *Estimation, devis,* Ger. *Kostenanschlag,* Sp. *Presupuesto,* It. *Preventivo, valutazione.*)

An estimate is a document showing what is the amount required by a contractor, either for doing certain work, or for supplying goods on certain conditions, or for repairs.

EVEN. (Fr. *Quitte,* Ger. *gleich, quitt,* Sp. *En paz,* It. *A pareggio, pari.*)

On the Stock Exchange, when

securities are carried over "at even," the meaning is that there is neither contango nor backwardation to pay.

EX ALL. (Fr. *Sans privilèges*, Ger. *ohne alles*, Sp. *Sin reserva ó privilegio*, It. *Senza privilegio o riserva.*)

When these words are added to the quotation of the price of any stock or shares, they mean that the dividend just due, any bonus, return of capital, and right to claim new stock or shares are retained by the seller.

EX COUPON. (Fr. *Sans coupon*, Ger. *ohne Coupon*, Sp. *Sin cupón*, It. *Senza coupon.*)

This means without the interest coupon.

EX DIVIDEND. (Fr. *Coupon détaché*, Ger. *ohne Dividende*, Sp. *Cupón suelto*, It. *Senza dividendo, cedola o coupon staccato.*)

This means without the dividend that is due. When a stock is sold it is presumed, unless there is an agreement or custom to the contrary, that any dividend owing upon it goes to the buyer, and it is then sold "cum dividend."

EX DRAWING. (Fr. *Sans droit au tirage*, Ger. *ohne Ziehung*, Sp. *Sin sorteo*, It. *Senza diritto all' estrazione.*)

This term is used when bonds are sold without any benefit that may arise from a drawing about to take place.

EX INTEREST. (Fr. *Sans intérêt*, Ger. *ohne Zinsen*, Sp. *Sin interés*, It. *Senza interesse.*)

This means without interest.

EX MERO MOTU. This Latin phrase signifies "Of one's own accord."

EX NEW. (Fr. *Sans droit aux actions nouvelles*, Ger. *ohne Bezugsrecht auf junge Aktien*, Sp. *Sin privilegio*, It. *Senza diritti alle azioni nuove.*)

It sometimes happens that gas, railway, and water companies, when requiring more capital, issue a number of new shares, offering the allotment of them *pro ratâ* to the existing shareholders. Parties operating in such stock or shares, therefore, sell their holdings in the original stock "ex new," if they wish to retain the privilege of taking the new shares themselves. (See *Cum New.*)

EX OFFICIO. (Fr. *Officiellement*, Ger. *Amtlich*, Sp. *Oficialmente*, It. *Ufficialmente.*) This is a Latin phrase, meaning "by virtue of office."

EX PARTE. This is a Latin phrase, which means "on behalf of." Any proceeding that is taken by one party when the other or others is or are not present is said to be "ex parte."

EX SHIP. (Fr. *Franco jusqu'au débarquement*, Ger. *ab Schiff*, Sp. *Franco en muelle*, It. *Franco alla banchina.*)

This signifies that goods are sold free out of the ship, the purchaser providing the means of removal, and the vendor's responsibility ceasing as soon as the goods leave the ship's side.

EX WAREHOUSE. (Fr. *Franco jusqu'au dépôt*, Ger. *ab Speicher*, Sp. *En almacén*, It. *Franco al deposito, franco al magazzino.*)

When goods are sold thus, the purchaser must provide means of conveyance from the warehouse door.

EXCESS PROFITS. This is a new tax imposed during the Great War, and is levied upon the proprietors of certain businesses which have increased their profits since 1914. A pre-war standard of profit is arrived at first of all, generally by taking the amount of the two best years of the three years prior to 1914 and dividing this total by two. If the profits since 1914 have exceeded this figure, £200 is taken from this excess upon which nothing is charged; and the Government takes a percentage, at present 80 per cent. of the remainder. Full details as to the method of calculation, etc., must be obtained from the authorities.

EXCHANGE. (Fr. *Échange, change*, Ger. *Wechsel, Kurs*, Sp. *Cambio*, It. *Scambio, cambio.*)

This means the giving or taking of one thing or commodity for another, and in commercial language the word is employed to denote the means by which the debts of persons residing at a distance from their creditors are discharged without the transmission of money or goods. This is effected by means of what are known as bills of exchange. Exchanges between different parts of the United Kingdom are now almost entirely in the hands of bankers. In cities or countries having a considerable amount of intercourse together, the debts mutually due by the one to the other approach for the most part near to an equality. Between countries making use of different currencies there is what is known as a "par of exchange," which is the equivalency of a certain amount of the currency of one country in the currency of the other, the currencies of both being supposed to be of the precise weight and purity fixed by their respective units. Among the causes that affect the par of exchange, in addition to a rise or a fall in the price of the precious metals, are—

(1) Changes made by authority, in the quantity of pure metal contained in the coin by way of increase or diminution.

(2) Depreciation from the use of paper money.

(3) Clipping.

(4) Wear and tear.

When two countries trade together, and each buys of the other exactly to the amount that it sells, their claims will balance each other, and the exchange will be at par. This, however, is rarely the case, for there is almost always a balance owing on the one side or the other, and this balance affects the rate of exchange. Those fluctuations in the real exchange are subject to certain limits, beyond which they cannot advance. Thus, the price of bills of exchange on any place above the par of exchange can never exceed the expense of sending bullion to that place, otherwise merchants will find it more to their advantage to transmit bullion than to take bills. The tendency of any advance in the rate of exchange is to stimulate exportation.

EXCHANGE. (Fr. *Bourse*, Ger. *Börse*, Sp. *Bolsa*, It. *Borsa.*)

An exchange is a building or place of resort for merchants, the name being adopted from the circumstance that buying and exchange of merchandise, and exchanging or paying away of money form the chief object of commerce.

EXCHEQUER. (Fr. *Cour de l'Echiquier*, Ger. *Schatzkammergericht*, Sp. *Tesoreria*, It. *Tesoreria, erario, ministero del tesoro.*)

The Exchequer was a superior court which formerly exercised jurisdiction only over matters connected with the revenue of the country. It is now a court of common law, and merged in the King's Bench Division of the High Court of Justice.

EXCHEQUER BILLS. (Fr. *Bons du trésor*, Ger. *Schatzkammerscheine*, Sp. *Bonos (pagarés) del tesoro*, It. *Boni del tesoro.*)

These are promissory notes issued by the authority of Parliament for £100, £200, £500, and £1,000, bearing interest from the day on which they are dated, at the current market value of money on their date of issue. The rate of interest is so much per cent. per day. They are generally paid off or renewed annually when the interest is paid up, and notice is duly given of the intention of the Exchequer by public advertisement. As the Government only pays them off at par, holders generally prefer a renewal, because by accepting payment they lose the premium which these bills generally bear in the money market.

Exchequer bills are much sought after by men with capital, because they are almost always quoted in the market at a premium, and they are easily convertible into ready money. They furnish, in fact, a sort of investment yielding interest, and yet they are of such a character that they are as useful as ready money.

EXCHEQUER BONDS. (Fr. *Bons du trésor*, Ger. *Schatzkammerscheine*, Sp. *Bonos del tesoro*, It. *Boni (obbligazioni) del tesoro.*)

These are Government promissory notes issued, under the authority of the same Act as Exchequer bills, by the Commissioners of the Treasury. They run for a definite period of time, but not exceeding six years, and bear interest at a certain rate per cent. per annum. The interest is payable half-yearly until the period for which they are issued has expired. They are then redeemable at par.

EXCISE. (Fr. *Accise*, Ger. *Accise, Verbrauchssteuer*, Sp. *Sisa*, It. *Dazio di consumo.*)

This is an inland tax on certain commodities produced and consumed within the country, as opposed to customs duties, and also on licences to carry on certain trades and professions.

Owing to the constant fluctuations in excise duties, it is impossible to give a complete list which can be of any continued value. Only the principal of them, and those which are likely to be more or less permanent, are included in the following list—

	£	s.	d.
Admission—			
As barrister	50	0	0
As solicitor, proctor, or writer of the signet	25	0	0
To any Inn of Court, or student of King's Inn, Dublin	25	0	0
As Fellow of College of Physicians	25	0	0
As burgess, by birth, apprenticeship, or marriage	1	0	0
Ditto (on any other ground)	3	0	0
As notary public in England	30	0	0
Ditto, in Scotland or Ireland	20	0	0
As burgess in Scotland	0	5	0
Alkali Works, certificate of registration	5	0	0
Appraisers and house agents, annual	2	0	0
Armorial Bearings, Great Britain, annual	1	1	0
If used on any carriage, etc., annual	2	2	0
Now levied by County Councils.			

	£	s.	d.
Auctioneers, annual .	10		
Auctioneers may act as appraisers or house agents without further licence.			
Bankers, annual	30	0	
Cards (playing), makers of, to sell, annual	1	0	
Carriages, annual, Great Britain—			
Hackney carriages	0	15	
For every other carriage with four wheels, and drawn or adapted or fitted to be drawn by two or more horses, or by mechanical power	2	2	0
If with four wheels, and drawn or adapted or fitted to be drawn by one horse only	1	1	0
If with less than four wheels	0	15	0
Half rates only charged on licences taken out between October 1 and December 31, when all licences for carriages expire.			
The licences are now issued by County Councils.			
Certificate, annual—			
To act as attorney, solicitor, proctor, writer of the signet, notary public, and sworn clerk, practising within ten miles of the General Post Office, London; or either in the city or shire of Edinburgh, or in the city of Dublin, or within three miles thereof	9	0	0
To act as any of the above, elsewhere	6	0	0
During the first three years the fees are one-half of the above.			
Certificate of birth, baptism, marriage, death, or burial	0	0	1
Commission of Lunacy . .	0	5	0
Dogs, of any kind, Great Britain, annual.	0	7	6
Dogs under six months old, and those kept solely for the purpose of tending sheep or cattle on a farm, or by shepherds, or by blind persons for their guidance, are exempt.			
The issue of dog licences is now transferred to the County Councils.			
Ecclesiastical Licences—			
To hold office of lecturer, etc.	0	10	0
For licensing a building for Divine Service, etc., and any chapel for the solemnisation of marriages .	0	10	0
Not otherwise charged . .	2	0	0
Faculty or Dispensation—			
In England, in all cases .	30	0	0
In Scotland or Ireland, in some cases, £20; in others, £25.			
Game Licences—			
If taken out after July 31, and before November 1, to expire on July 31, following	3	0	0
After July 31, to expire on October 31	2	0	0
After October 31, to expire on July 31	2	0	0
For any continuous period of fourteen days . .	1	0	0
Gamekeepers—			
Annual, Great Britain, expiring July 31 . . .	2	0	0
In Ireland the licences are the same as game licences.			
Game Dealer—			
Annual, expiring July 1 .	2	0	0
The issue of game licences of all kinds in Great Britain has been transferred to the County Councils.			
Guns, including pistols and revolvers, annual, expiring July 31	0	10	0
Persons holding game licences, soldiers, and volunteers are exempt. A licence cannot be transferred to a son or to a servant.			
The licences are now issued by County Councils.			
Hawkers, annual	2	0	0
House Agents—			
Annual, expiring July 5 .	2	0	0
A person is not liable to pay duty if he acts only in the letting of houses of an annual value not exceeding £25. A storey of a house, or a flat, rated and let as a separate tenement, is a house for this purpose.			
House Duty. See House.			
Inebriates' Retreats . . .	5	0	0
Ten shillings additional is payable for every patient over ten in number.			
Male Servants—			
Annual duty for each, Great Britain	0	15	0
The licences are now issued by County Councils:			

	£	s.	d.
Medicines, Patent, Great Britain—			
Not exceeding 1*s.*	0	0	1½
,, ,, 2*s.* 6*d.*	0	0	3
,, ,, 4*s.*	0	0	6
,, ,, 10*s.*	0	1	0
,, ,, £1	0	2	0
,, ,, £1 10*s.*	0	3	0
,, ,, £2 10*s.*	0	10	0
Exceeding £2 10*s.*	1	0	0
Dealers, for each place of business, annual	0	5	
Money Lenders, registration fee	1	0	
Motor-Cars and Cycles— The duties on these are as follows:—			
Motor cycles, of whatever horse-power	1	0	
Motor-cars, not exceeding 6½ horse-power	2	2	
Exceeding 6½, but not exceeding 12 horse-power	3	3	
Exceeding 12, but not exceeding 16 horse-power	4	4	
Exceeding 16, but not exceeding 26 horse-power	6	6	0
Exceeding 26, but not exceeding 33 horse-power	8	8	0
Exceeding 33, but not exceeding 40 horse-power	10	10	0
Exceeding 40, but not exceeding 60 horse-power	21	0	0
Exceeding 60 horse-power	42	0	0
There are certain reductions and exemptions, the principal of the former being in favour of medical men, who are charged only one-half of the above rates.			
Issued by the County Councils.			
Motor Spirit, gal.	0	0	3
The duty is repayable to persons who use the spirit otherwise than for motive power for motor-cars, and half duty is repayable when it is used for trade cars or hackney carriages, or by a medical man for professional purposes.			
Motor Spirit Dealers, annually	0	5	
(No licence is required as a dealer if the sale is of a quantity not exceeding one pint at a time.)			
Motor Spirit Manufacturer, annually	1	0	
See also Motor-Car.			
Pawnbrokers, annual	7	10	
If dealing in plate, without regard to weight, additional	5	15	0
Pedlars (police licence)	0	5	0
Plate dealers, annual, expiring July 5, whenever issued, for each place of business—			
Gold, above 2 dwts. and under 2 oz. in weight, and silver above 5 dwts., and under 30 oz. in weight	2	6	0
Gold, above 2 oz., and silver above 30 oz.	5	15	0
Refiners of gold and silver	5	15	0
Railways—			
On passenger receipts per £100 in Great Britain, but subject to exemption in respect of fares not exceeding the rate of one penny a mile—			
Urban district traffic	2	0	0
Other traffic	5	0	0
Restaurant Car, annual	1	0	0
Refreshment Houses—			
Annual licence, rental under £30	0	10	6
£30 and upwards	1	1	0
Tobacco Growers, Cultivators, or Curers (England and Scotland), annual	0	5	0

EXCISEMEN, OR INLAND REVENUE OFFICERS. (Fr. *Employés de l'accise, Rats de cave*, Ger. *Acciseeinnehmer*, Sp. *Officiales de la sisa*, It. *Guardie del dazio di consumo.*)

The officers who are charged with the collection of the excise.

EXECUTION. (Fr. *Exécution*, Ger. *Execution, Urteilsvollziehung*, Sp. *Ejecución*, It. *Esecuzione.*)

Execution is the name given to the process by which a judgment of a court of law is enforced.

In civil cases a judgment depends for its character upon the nature of the action. If an injunction is granted or if specific performance is decreed, the defendant must carry out the order of the court; otherwise he renders himself liable to have a writ of attachment issued against him, and he may then be imprisoned for contempt of court until such time as he purges his contempt by obeying the judgment given against him. If an award of money damages is made, or if there is simply a judgment with costs, which invariably happens when the plaintiff fails in his claim, the successful party issues a writ of execution for the purpose of satisfying the judgment. The most common form is a writ of *fieri facias*—generally called a writ of *fi. fa.*—under which the sheriff is ordered to seize the goods of the debtor and to sell them in satisfaction of the debt. Execution must be carefully distinguished from distress

(*q.v.*), as under the former no goods can be seized which are not the actual property of the debtor, whereas in the latter case they may be. If the debtor is possessed of lands, the order to seize the lands is carried out by means of what is known as a writ of *elegit*. Again, if the judgment is for the possession of premises and the delivery up of the same to the plaintiff, the sheriff is empowered to enter upon the premises and to eject the trespasser. Sometimes it is not possible to obtain satisfaction by the seizure of the debtor's goods or lands, although he is entitled to property in the possession or under the control of some other person or persons. Recourse is then had to what is known as "equitable execution," which may be of various kinds. Thus, a receiver may be appointed to collect any debts due, or a garnishee order may be obtained, under which the debtors of the debtor are compelled to pay their debts direct to the debtor's creditor. (See also *Action*.)

EXECUTOR. (Fr. *Exécuteur testamentaire*, Ger. *Testamentsvollstrecker*, Sp. *Ejecutor testamentario*, It. *Esecutore testamentario*.)

The person who is appointed by a testator to see that the directions contained in his will are carried into effect is known as the executor. The feminine form of the word is executrix.

An executor may be appointed by name or by implication; but in the latter case he is called an executor according to the tenor. Again, a testator may leave the appointment of an executor to a third person, and such third person may appoint himself to the office.

Where there is no will there can be no executor. The person who is then appointed to attend to the estate of the deceased is called an administrator, the female form of which is administratrix. In most cases the administrator is a near relative of the deceased, but if the proper person to take out letters of administration, i.e., the legal authority under which he or she is allowed to act in connection with the estate, neglects to do so, any other person who is entitled to make a claim against the estate, especially a creditor, can apply for letters of administration to be granted to him. Except in very few cases, such, for example, as where a husband acts as administrator of his deceased wife's estate, a bond with sureties is required from the applicant as a security for due administration.

An administrator is also appointed to act, even when there is a will, in the following cases, and under the following names :—

(1) Administrator *ad litem*. This is the person who is named administrator of a deceased person's estate for the purpose of litigation only.

(2) Administrator *cum testamento annexo*. This is the title given to an administrator who obtains a grant of letters of administration when there is a will but no executor named in it, or when the executor named refuses or is unable to act.

(3) Administrator *de bonis non*. The person appointed to complete the administration of an estate, where the executor or administrator has died without fully administering the same.

(4) Administrator *durante absentiâ*. The administrator who acts during the absence abroad of a person who is legally entitled to the administration.

(5) Administrator *durante minore aetate*. The person appointed to act during the minority of an executor or of a person legally entitled to a grant of letters of administration.

(6) Administrator *pendente lite*. The person appointed to administer an estate pending any suit respecting the validity of a will or any other matter in dispute.

The rights and duties of executors and administrators are generally the same, except that the former must carry out the directions contained in the will of the deceased, whilst the latter have nothing further to consider than the obligations laid upon them by the law.

Any person may be appointed as executor unless he is specially excluded by law. A lunatic or an idiot is incapable of acting, owing to lack of understanding. An infant may be appointed, but he cannot act so long as he is a minor. When an infant is named sole executor, an administrator with the will annexed must be appointed to act during the minority. A married woman may act independently of her husband as executrix since the passing of the Married Women's Property Act, 1882. An alien is as capable of acting as a natural born or a naturalised citizen. A partnership firm, a company, or a corporation may each be appointed. A grant of the probate of a will is made to the members of a partnership firm individually, whilst in the case of a company or corporation aggregate a grant of letters of administration with

the will annexed is made to a representative of the company or corporation. There are now several companies in existence, whose special business it is to undertake executorships and trusteeships for an agreed commission.

There is no special form required for the appointment of an executor, but it is advisable for a testator to make his appointment clear so as to save expense. If there is no express appointment, any person who has duties imposed upon him may be an executor according to the tenor of the will. And it has been held that where a testator appointed a person "to hold and administer in trust all my estate well known to the said H. E.," this was sufficient to constitute H. E. an executor according to the tenor.

An executor is generally appointed absolutely, but his appointment may be qualified, and extend to certain property only, or it may be limited to a given time. Again, on the death of an executor the executorship is transmitted to the executor named, if there is one, in the will of the executor. But there is no transmission of an administratorship, nor does an executorship devolve upon the administrator of the estate of an executor or administrator. Whenever anything remains to be done as to an estate, and there is no executor surviving, an administrator must be appointed to administer the portion of the estate which has been left unadministered.

A person who intermeddles, without authority, with the estate of a deceased person, may render himself liable to be sued by creditors and legatees, and be put to much inconvenience. He is called an executor *de son tort*. But he is not liable beyond the amount of the assets which have come into his hands, and he may plead in an action brought against him that he has fully administered the estate.

No person is bound to accept the office of executor if it is thrust upon him. Nor need he accept it after the death of the testator, even though he promised during the lifetime of the deceased to act as executor. There must, however, be a clear renunciation, and the renunciation must be made before any act is performed which lies within the ordinary province of an executor, or before anything is done from which an inference might be drawn that the person named in the will had decided to act as executor. The acceptance or renunciation must be complete—there cannot be a partial acceptance and a partial renunciation. If a person is dilatory in making up his mind as to acceptance or renunciation, he may be cited before the Probate Division of the High Court by any of his co-executors or by a proposed administrator.

Where two or more executors are appointed by a will they are considered as one person, and the survivor acts, after the death of the others, in the place of all. It is the first duty of the executors to bury the deceased in a suitable manner, and this must obviously be done before the probate of the will can be granted. There are also many other things which may be done before a grant of probate, or of letters of administration; but it is as well to obtain the one or the other as soon as possible—indeed, in the latter case, great difficulties may arise at very early stages of any semi-administration. On the other hand, an executor derives his authority entirely from the will, and probate is a mere ceremony evidencing his right to act. But no executor can proceed in an action at law in any matter concerning the estate of the deceased without producing the probate, which is the sole evidence of his title.

Executors have full power to sell, assign, mortgage, or pledge the assets of the testator. In certain matters, such as the granting of leases, they may be restrained by any special terms inserted in the will. They may likewise compromise debts and submit disputes to arbitration. In the payment of claims they have the peculiar right of retainer, that is, they may retain the amount of their own debts in priority to any debts owing by the testator of the same degree. Even statute barred debts may be paid, but not if they have been sued upon and disallowed on that account. Other debts, which are unenforceable by reason of various statutes, may not be paid. If the executors do nevertheless pay them an action may be commenced against the executors by the beneficiaries under the will for the repayment of the money so illegally expended.

For the purpose of relieving executors and administrators from too lengthy a period of administration, an Act was passed in 1859, commonly known as Lord St. Leonard's Act, by which the representatives of a deceased person were enabled to advertise in the London

Gazette and three other newspapers, one being a local one, calling upon creditors and others having claims to come in and make good the same on or before a fixed date. The notice is a well-known one, and it invariably goes on to declare that on the expiration of the fixed time the assets of the deceased will be distributed, regard being had only to those claims of which notice has been given, and that the executors will not be liable to any person of whose claim they have not had notice at the time of the distribution of the assets. This method exonerates the executors completely, but it in no way prejudices the right of a creditor to follow the assets into the hands of any persons who have received the same.

The duties of an executor or administrator may be summed up as follows :—

(1) To bury the deceased, incurring only such funeral expenses as are warranted by the estate and condition of the deceased.

(2) To prepare an accurate inventory of the goods and chattels of the deceased.

(3) In the case of a will, to obtain probate of the same within six months of the death of the deceased.

(4) To pay all the necessary death duties.

(5) To collect and realise the estate.

(6) To liquidate the outstanding debts of the deceased.

(7) To pay the legacies left by the will.

(8) To make whatever investments are ordered or are necessary.

(9) To distribute the residue.

(10) To keep accurate accounts of all matters connected with the estate, and obtain a proper discharge on the completion of the administration.

There are special rules in the administration of assets which are applicable both to the order in which the assets are to be devoted to the payment of debts, and also to the order in which the debts are to be paid. The assets are to be applied as follows :—

(1) The general personal estate, not bequeathed, or bequeathed only as residue.

(2) Real estate devised in trust to pay debts.

(3) Real estate not so charged.

(4) General legacies and annuities.

(5) Specific legacies.

(6) Real or personal estate subject to a general power of appointment, which power has been exercised in favour of persons who have taken by a conveyance without consideration.

The order in which the debts are payable is :—

(1) Reasonable funeral and testamentary expenses.

(2) Debts due to the Crown in respect of rates or taxes.

(3) Debts to which special statutes have given priority, such as liabilities under Friendly Societies Acts.

(4) Judgment debts registered against the deceased, and judgment debts unregistered recovered against the executors or administrators.

(5) Recognisances and statutes.

(6) Specialty contracts, if for valuable consideration, and also simple contract debts, as well as unregistered judgment debts obtained against the deceased. Until the passing of Hinde Palmer's Act, 1869, specialty debts had priority over simple contract debts. They are now on the same footing.

(7) Voluntary bonds and covenants. But if a voluntary bond has been assigned for value during the lifetime of the deceased, it will rank as though it had been originally given for valuable consideration.

Until the passing of the Land Transfer Act, 1897, it was the personal estate alone of the deceased which vested in his executor, who has generally been called the personal representative. Now, however, the real estate also vests in the executor, and any person who claims the same must acquire his title through the executor. By section two of the Act it is provided that the personal representatives of a deceased person shall hold the real estate as trustees for the persons legally entitled to the beneficial interest in the same, and that those persons shall require a legal transfer to be made. Section three of the Act is as follows :—

(1) At any time after the death of the owner of any land, the personal representatives may assent to any devise contained in his will, or may convey the land to any person entitled thereto as heir, devisee, or otherwise, and may make the assent or conveyance either subject to a charge for the payment of any money which the personal representatives are liable to pay, or without any such charge; and on such assent or conveyance, subject to a charge for all moneys (if any) which the personal representatives are liable to pay, all liabilities of the personal representatives in respect of the land shall cease,

except as to any acts done or contracts entered into by them before such assent or conveyance.

(2) At any time after the expiration of one year from the death of the owner of any land, if his personal representatives have failed on the request of the person entitled to the land to convey the land to that person, the court may, if it thinks fit, on the application of that person, and after notice to the personal representatives order that the conveyance be made, or, in the case of registered land, that the person so entitled be registered as proprietor of the land either solely or jointly with the personal representatives.

(3) Where the personal representatives of a deceased person are registered as proprietors of land on his death, a fee shall not be chargeable on any transfer of the land by them unless the transfer is for valuable consideration.

(4) The production of an assent in the prescribed form by the personal representatives of a deceased proprietor of registered land shall authorise the registrar to register the person named in the assent as proprietor of the land.

Where a man making his will is actively engaged in business on his own account, he ought to be particularly careful to give directions as to his wishes in respect of the business, and to indicate what proportion of his estate is to be employed in it. Otherwise executors may find themselves personally liable for continuing the same. The safest plan is to sell the business, though this step should not be hurriedly taken to the detriment of the estate. The business is an asset and must not be squandered. No liability, however, attaches in the case of a partner. The death of a partner terminates, *ipso facto*, the partnership, and his estate is freed from all claims in respect of debts contracted after his decease. The doctrine of holding out does not extend to bind the estate of a deceased partner, whether the creditors of the firm are or are not aware of the death of the partner.

Legacies are not payable until after the expiration of a year from the death of the deceased. But executors are not compelled to delay payment for so long a period. On the other hand, an administrator would be acting unwisely to make any distribution of an intestate's estate until a year has expired. In the case of legacies payable to infants, the money should be paid into court, and not to the infant or to his parent, unless there is a special direction to that effect in the will.

Executors are jointly responsible for the funds which come into their hands. They must use prudence in dealing with the same, otherwise they will render themselves liable for any losses which arise. Also an executor must not leave the unlimited control of the funds comprised in the estate to his fellow executor or executors, except at his own risk. Executors are just as responsible as trustees, and like them they are entitled to no remuneration for their services, however valuable, unless there is a special provision as to compensation contained in the will. The only deductions that are allowed to be made are for out-of-pocket expenses incurred in the executorship.

EXEQUATUR. (Fr., Ger., Sp., and It., *Exequatur.*)

This is a term used in international law to signify the official recognition of a consul or commercial agent given by the Government of the country in which he is to exercise his functions. It is generally issued by the Foreign Office of each nation, and may be either a separate document with *exequatur* for the first word, or the word itself may be simply impressed upon the commission under which the consul or agent holds his office. In England the exequatur of a foreign consul is always notified in the London *Gazette*.

EXPECTED TO RANK. (Fr. *Passif prévu*, Ger. *wahrscheinliche Schuldmasse*, Sp. *Pasivo anticipado*, It. *Passivo previsto.*)

In bankruptcy this is the sum of money which, it is expected, will be the actual amount owing when the estate comes to be liquidated.

EXPECTATION OF LIFE. (Fr. *Expectation de vie*, Ger. *die zu erwartende Lebensdauer*, Sp. *Duracion media de la vida*, It. *Aspettazione di vita.*)

This signifies the average after-lifetime of a person of a given age, the calculation being made from statistics collected during the given number of years.

The expectation of life is of use in actuarial calculations, and also to a certain extent in estimating the values of life annuities and the amounts of life insurance premiums.

The table on the next page gives the mean after-lifetime, or expectation of life, of people in the United Kingdom, based upon the death returns of 1891–1900.

ge.	Male.	Female.	Age.	Male.	Femal
0	44·13	47·77	53	17·01	18·58
1	52·22	54·53	54	16·40	17·91
2	54·12	56·34	55	15·79	17·24
3	54·26	56·49	56	15·19	16·59
4	53·98	56·25	57	14·61	15·95
5	53·50	55·79	58	14·04	15·32
6	52·88	55·18	59	13·48	14·71
7	52·16	54·47	60	12·93	14·10
8	51·36	53·68	61	12·39	13·51
9	50·51	52·84	62	11·87	12·94
10	49·63	51·97	63	11·35	12·37
11	48·73	51·09	64	10·84	11·81
12	47·84	50·21	65	10·34	11·27
13	46·96	49·34	66	9·86	10·74
14	46·08	48·48	67	9·38	10·22
15	45·21	47·61	68	8·93	9·72
16	44·34	46·75	69	8·48	9·24
17	43·50	45·92	70	8·05	8·73
18	42·67	45·09	71	7·64	8·33
19	41·84	44·27	72	7·24	7·90
20	41·02	43·44	73	6·86	7·48
21	40·21	42·62	74	6·50	7·08
22	39·40	41·80	75	6·15	6·70
23	38·60	40·99	76	5·81	6·34
24	37·80	40·17	77	5·49	5·99
25	37·01	39·37	78	5·19	5·67
26	36·22	38·56	79	4·90	5·35
27	36·43	37·76	80	4·62	5·05
28	34·64	36·97	81	4·36	4·77
29	33·85	36·17	82	4·11	4·51
30	33·07	35·39	83	3·88	4·26
31	32·29	34·60	84	3·66	4·02
32	31·51	33·83	85	3·45	3·80
33	30·75	33·05	86	3·25	3·59
34	29·99	32·29	87	3·07	3·39
35	29·24	31·52	88	2·89	3·21
36	28·50	30·77	89	2·73	3·04
37	27·77	30·02	90	2·58	2·87
38	27·05	29·28	91	2·43	2·73
39	26·34	28·54	92	2·30	2·59
40	25·64	27·82	93	2·17	2·46
41	24·94	27·09	94	2·06	2·34
42	24·25	26·37	95	1·95	2·23
43	23·56	25·64	96	1·85	2·13
44	22·88	24·92	97	1·75	2·04
45	22·20	24·20	98	1·67	1·96
46	21·52	23·48	99	1·58	1·88
47	20·86	22·76	100	1·51	1·81
48	20·20	22·05	101	1·44	1·74
49	19·54	21·35	102	1·36	1·68
50	18·90	20·64	103	1·28	1·62
51	18·26	19·95	104	1·18	1·56
52	17·63	19·26	105	1·02	1·48

EXPORT LIST. (Fr. *Liste d'exportation*, Ger. *Ausfuhrliste*, Sp. *Lista de exportación*, It. *Lista di esportazione.*)

This is the alphabetical lists of headings under which exported goods are classified by the Customs for statistical purposes.

EXPORTATION. (Fr. *Exportation, sortie*, Ger. *Ausfuhr*, Sp. *Exportación*, It. *Esportazione.*)

This is the act of sending commodities out of one country into another.

EXPORTERS. (Fr. *Exportateurs*, Ger. *Exporthändler*, Sp. *Exportadores*, It. *Esportatori.*)

Exporters are persons who are engaged in sending goods to foreign countries.

EXPORTS. (Fr. *Marchandises exportées, exportations*, Ger. *Ausfuhrgüter*, Sp. *Exportaciones*, It. *Merci di esportazione.*)

The goods sent out of a country are known as exports.

The greater part of British exports consists of cotton and woollen goods. Most of the cotton goods are made in South Lancashire, the mills there employing more than half a million operatives. Woollen goods are manufactured in the West Riding of Yorkshire, in the west of England, and in Wales, the number of persons occupied in the industry being more than a quarter of a million. Metal goods and machinery are next in order of value.

Of natural products, the only export of consequence is coal.

EXTRACT. (Fr. *Extrait*, Ger. *wahre Abschrift*, Sp. *Extracto*, It. *Estratto.*)

An extract is an exact duplication or copy made of some original document or record.

F. This letter occurs in the following abbreviations:—

F.A.A., Free of All Average.
F.A.S., Free Alongside Ship.
F.O.B., Free On Board.
F.G.A., Free of General Average.
F.P.A., Free of Particular Average.

FACE VALUE. (Fr. *Valeur nominale*, Ger. *Nennwert, Nominalwert*, Sp. *Según valor*, It. *Valore nominale.*)

Face value is the nominal value written or printed upon the face of the bonds, notes, stock certificates, debentures, or other similar documents indicating their par value, that is, the amount for which they are issued. The face value is frequently very different from the market value, which may be higher or lower than the face value, at a premium or at a discount.

FACTOR. (Fr. *Agent, facteur*, Ger. *Agent, Faktor*, Sp. *Factor, agente*, It. *Agente, fattore.*)

A factor is a person who buys or sells goods for another, but carries on the business in his own name, and not in the name of his principal. A factor differs from a broker in that his authority is of a wider description, and, in addition, he has generally possession of the goods

with which he deals. When a factor is employed to dispose of a cargo which he accompanies on a voyage he is called a supercargo.

A factor being an agent, the authority conferred upon him is fixed by the contract of agency at the commencement of his employment. But much is left to usages and customs, and the usages and customs vary in the different markets in which the factor deals. These bind the principal in his dealings with the agent, unless expressly excluded, and they are always binding upon the principal at the instance of third parties.

As a security for the payment of his charges, a factor has a lien upon the goods entrusted to him in the course of his business.

The law with respect to factors was codified by the statute passed in 1889. This Act was the result of a long struggle between the mercantile community on one hand, and the principles of the common law on the other. The general rule of the common law is that no one can transfer to another person a better title to goods, etc., than that which he himself possesses. This was found to work injuriously, and merchants and bankers contended that, in the interests of commerce, if a person was put or left in possession of goods or documents of title, he ought, as regards innocent third parties, to be treated as the owner of the goods, and that innocent transferees for value ought to obtain a good title to them. The Factors Act has practically made this the law of the land, and has extended protection to dealings, in the way of sales, pledges, etc., between what are known as mercantile agents and third parties. It follows, therefore, that a purchaser who deals with a mercantile agent or factor, and who has no reason to suspect and does not know that the authority of such person is limited, obtains a perfectly good title to anything which he buys in the ordinary course of business.

The following are the provisions of the Act:—

1. (1) The expression "mercantile agent" shall mean a mercantile agent having in the customary course of his business as such agent authority either to sell goods, or to consign goods for the purpose of sale, or to buy goods, or to raise money on the security of goods.

(2) A person shall be deemed to be in possession of goods or of the documents of title to goods, where the goods or documents are in his actual custody or are held by any other person subject to his control or for him or on his behalf.

(3) The expression "goods" shall include wares and merchandise.

(4) The expression "document" of title shall include any bill of lading, dock warrant, warehouse-keeper's certificate, and warrant or order for the delivery of goods, and any other document used in the ordinary course of business as proof of the possession or control of goods, or authorising or purporting to authorise either by indorsement or by delivery, the possessor of the document to transfer or receive goods thereby represented.

(5) The expression "pledge" shall include any contract pledging, or giving a lien or security on, goods, whether in consideration of an original advance or of any further or continuing advance, or of any pecuniary liability.

(6) The expression "person" shall include any body of persons corporate or unincorporate.

2. (1) Where a mercantile agent is, with the consent of the owner, in possession of goods or of the documents of title to goods, any sale, pledge, or other disposition of the goods, made by him when acting in the ordinary course of business of a mercantile agent, shall, subject to the provisions of this Act, be as valid as if he were expressly authorised by the owner of the goods to make the same; provided that the person taking under the disposition acts in good faith, and has not at the time of the disposition notice that the person making the disposition has not authority to make the same.

(2) Where a mercantile agent has, with the consent of the owner, been in possession of goods or of the documents of title to goods, any sale, pledge or other disposition, which would have been valid if the consent had continued, shall be valid notwithstanding the determination of the consent, provided that the person taking under the disposition has not at the time thereof notice that the consent has been determined.

(3) Where a mercantile agent has obtained possession of any document of title to goods by reason of his being or having been, with the consent of the owner, in possession of the goods represented thereby, or of any other documents of title to the goods, his possession of the first-mentioned documents shall, for the purposes of this Act, be deemed to be with the consent of the owner.

(4) For the purposes of this Act the consent of the owner shall be presumed in the absence of evidence to the contrary.

3. A pledge of the documents of title to goods shall be deemed to be a pledge of the goods.

4. Where a mercantile agent pledges goods as security for a debt or liability due from the pledgor to the pledgee before the time of the pledge, the pledgee shall acquire no further right to the goods than could have been enforced by the pledgor at the time of the pledge.

5. The consideration necessary for the validity of a sale, pledge, or other disposition of goods, in pursuance of this Act, may be either a payment in cash, or the delivery or transfer of other goods, or of a document of title to goods, or of a negotiable security, or any other valuable consideration; but where goods are pledged by a mercantile agent in consideration of the delivery or transfer of other goods, or of a document of title to goods, or of a negotiable security, the pledgee shall acquire no right or interest in the goods so pledged in excess of the value of the goods, documents, or security when so delivered or transferred in exchange.

6. For the purposes of this Act an agreement made with a mercantile agent through a clerk or other person authorised in the ordinary course of business to make contracts of sale or pledge on his behalf shall be deemed to be an agreement with the agent.

7. (1) Where the owner of goods has given possession of the goods to another person for the purpose of consignment or sale, or has shipped the goods in the name of another person, and the consignee of the goods has not had notice that such person is not the owner of the goods, the consignee shall, in respect of advances made to or for the use of such person, have the same lien on the goods as if such person were the owner of the goods, and may transfer any such lien to another person.

(2) Nothing in this section shall limit or affect the validity of any sale, pledge, or disposition by a mercantile agent.

8. Where a person, having sold goods, continues, or is, in possession of the goods or of the documents of title to the goods, the delivery or transfer by that person, or by a mercantile agent acting for him, of the goods or documents of title under any sale, pledge, or other disposition thereof, or under any agreement for sale, pledge, or other disposition thereof, to any person receiving the same in good faith and without notice of the previous sale, shall have the same effect as if the person making the delivery or transfer were expressly authorised by the owner of the goods to make the same.

9. Where a person, having bought or agreed to buy goods, obtains with the consent of the seller possession of the goods or the documents of title to the goods, the delivery or transfer by that person or by a mercantile agent acting for him, of the goods or documents of title, under any sale, pledge, or other disposition thereof, or under any agreement for sale, pledge, or other disposition thereof, to any person receiving the same in good faith and without notice of any lien or other right of the original seller in respect of the goods, shall have the same effect as if the person making the delivery or transfer were a mercantile agent in possession of the goods or documents of title with the consent of the owner.

10. Where a document of title to goods has been lawfully transferred to a person as a buyer or owner of the goods, and that person transfers the document to a person who takes the document in good faith and for valuable consideration, the last-mentioned transfer shall have the same effect for defeating any vendor's lien or right of stoppage in transitu as the transfer of a bill of lading has for defeating the right of stoppage in transitu.

11. For the purposes of this Act, the transfer of a document may be by indorsement, or where the document is by custom or by its express terms transferable by delivery, or makes the goods deliverable to the bearer, then by delivery.

12. (1) Nothing in this Act shall authorise an agent to exceed or depart from his authority as between himself and his principal, or exempt him from any liability, civil or criminal, for so doing.

(2) Nothing in this Act shall prevent the owner of goods from recovering the goods from an agent or his trustee in bankruptcy at any time before the sale or pledge thereof, or shall prevent the owner of goods pledged by an agent from having the right to redeem the goods at any time before the sale thereof, on satisfying the claim for which the goods were pledged, and paying to the agent, if by him required, any money in respect of which the agent would by law be entitled to retain the goods or the documents of title thereto, or any of them,

by way of lien as against the owner, or from recovering from any person with whom the goods have been pledged any balance of money remaining in his hands as the produce of the sale of the goods after deducting the amount of his lien.

(3) Nothing in this Act shall prevent the owner of goods sold by an agent from recovering from the buyer the price agreed to be paid for the same, or any part of that price, subject to any right of set-off on the part of the buyer against the agent.

13. The provisions of this Act shall be construed in amplification and not in derogation of the powers exercisable by an agent independently of this Act.

The Factors Act was extended to Scotland in 1890, subject to the following provisions :—

(1) The expression "lien" shall mean and include right of retention ; the expression "vendor's lien" shall mean and include any right of retention competent to the original owner or vendor ; and the expression "set-off" shall mean and include compensation.

(2) In the application of section five of the Act, a sale, pledge, or other disposition of goods shall not be valid unless made for valuable consideration.

The remuneration paid to a factor for his work and labour is fixed by the agreement between the principal and the factor. It generally takes the form of a percentage commission, and is known as factorage.

FACTORY AND WORKSHOP ACT, 1901. This is the most recent Act passed to regulate all matters connected with factories and workshops. (A short Act of 1911, which gave power to make regulations with respect to cotton cloth factories, does not, in reality, affect the above general statement.) It is a consolidation, with amendments, of all previous legislation respecting both. The Act is extremely elaborate, and the duty of carrying out its provisions is entrusted to a staff of inspectors, seven of whom are women, under the direct control of the Home Office. These inspectors have full powers of entry to any factory or workshop or school where factory children are being educated. They may also demand the production of all registers and documents which are required to be kept in accordance with the Act, and they are empowered to take all legal proceedings for the enforcement of the duties imposed upon the occupiers or owners of the factories and workshops which come within the scope of the Act. The inspectors have a further duty imposed upon them of appointing surgeons for their districts, whose province it is to investigate accidents and to examine young persons and children, and to issue certificates of fitness for employment. A factory or workshop which does not fall within the Act is generally under the direction and control of the local authorities, so far as the regulation and conduct of the same are concerned, to the same extent that factories and workshops are under the control and superintendence of inspectors by reason of the Act.

The following are the chief provisions of the Act. In the main the order of dealing with the different matters relating to factories and workshops is the same as in the Act itself, though for the sake of convenience the definitions of factories and workshops, as well as some general definitions, are placed at the beginning instead of at the end.

Factories and Workshops. Factories are divided into two classes, textile and non-textile.

(*a*) Textile factories.

These mean any premises wherein or within the close or curtilage of which steam, water, or other mechanical power, is used to move or work any machinery employed in preparing, manufacturing, or finishing, or in any process incident to the manufacture of cotton, wool, hair, silk, flax, hemp, jute, tow, china-glass, cocoa-nut fibre, or other like material, either separately or mixed together, or mixed with any other material, or any fabric made thereof; but print works, bleaching and dyeing works, lace warehouses, paper mills, flax scutch mills, rope works, and hat works are not deemed to be textile factories.

(*b*) Non-textile factories.

These include

(1) Print works, that is to say, any premises in which any persons are employed to print figures, patterns, or designs upon any cotton, linen, woollen, worsted, or silken yarn, or upon any woven or felted fabric not being paper ;

(2) Bleaching and dyeing works, that is to say, any premises in which the processes of bleaching, beetling, dyeing, calendering, finishing, hooking, lapping, and making up and packing any yarn or cloth of any material, or the dressing or finishing of lace, or any one or more of such processes, or any process incidental thereto, are or is carried on ;

(3) Earthenware works, that is to say, any place in which persons work for hire in making or assisting in making, finishing or assisting in finishing, earthenware or china of any description, except bricks and tiles not being ornamental tiles;

(4) Lucifer-match works, that is to say, any place in which persons work for hire in making lucifer matches, or in mixing the chemical materials for making them, or in any process incidental to making lucifer matches, except the cutting of the wood;

(5) Percussion-cap works, that is to say, any place in which persons work for hire in making percussion caps, or in mixing or storing the chemical materials for making them, or in any process incidental to making percussion caps;

(6) Cartridge works, that is to say, any place in which persons work for hire in making cartridges, or in any process incidental to making cartridges, except the manufacture of the paper or other material that is used in making the cases of the cartridges;

(7) Paper-staining works, that is to say, any place in which persons work for hire in printing a pattern in colours upon sheets of paper, either by blocks applied by hand, or by rollers worked by steam, water, or other mechanical power;

(8) Fustian-cutting works, that is to say, any place in which persons work for hire in fustian cutting;

(9) Blast furnaces, that is to say, any blast furnace or other furnace or premises in or on which the process of smelting or otherwise obtaining any metal from the ores is carried on;

(10) Copper mills;

(11) Iron mills, that is to say, any mill, forge, or other premises, in or on which any process is carried on for converting iron into malleable iron, steel, or tin plate, or for otherwise making or converting steel;

(12) Foundries, that is to say, iron foundries, copper foundries, brass foundries, and other premises or places in which the process of founding or casting any metal is carried on; except any premises or places in which such process is carried on by not more than five persons and as subsidiary to the repair or completion of some other work;

(13) Metal and india-rubber works, that is to say, any premises in which steam, water or other mechanical power is used for moving machinery employed in the manufacture of machinery, or in the manufacture of any article of metal not being machinery, or in the manufacture of india-rubber or gutta-percha, or of articles made wholly or partially of india-rubber or gutta-percha;

(14) Paper mills, that is to say, any premises in which the manufacture of paper is carried on;

(15) Glass works, that is to say, any premises in which the manufacture of glass is carried on;

(16) Tobacco factories, that is to say, any premises in which the manufacture of tobacco is carried on;

(17) Letter-press printing works, that is to say, any premises in which the process of letter-press printing is carried on;

(18) Bookbinding works, that is to say, any premises in which the process of bookbinding is carried on;

(19) Flax scutch mills;

(20) Electrical stations, that is to say, any premises or that part of any premises in which electrical energy is generated or transformed for the purpose of supply by way of trade, or for the lighting of any street, public place, or public building, or of any hotel, or of any railway, mine, or other industrial undertaking.

The following are also non-textile factories if steam, water, or other mechanical power is used in aid of the manufacturing process carried on in them;

(1) Hat works, that is to say, any premises in which the manufacture of hats or any process incidental to their manufacture is carried on;

(2) Rope works, that is to say, any premises being a ropery, ropewalk, or rope work, in which is carried on the laying or twisting or other process of preparing or finishing the lines, twines, cords, or ropes, and in which machinery moved by steam, water, or other mechanical power is not used for drawing or spinning the fibres of flax, hemp, jute, or tow, and which has no internal communication with any buildings or premises joining or forming part of a textile factory, except such communication as is necessary for the transmission of power;

(3) Bakehouses, that is to say, any places in which are baked bread, biscuits, or confectionery from the baking or the selling of which a profit is derived;

(4) Lace warehouses, that is to say, any premises, room, or place not included in bleaching and dyeing works as hereinbefore defined, in which persons

are employed upon any manufacturing process or handicraft in relation to lace, subsequent to the making of lace upon a lace machine moved by steam, water, or other mechanical power;

(5) Shipbuilding yards, that is to say, any premises in which any ships, boats, or vessels used in navigation are made, finished, or repaired;

(6) Quarries, that is to say, any place, not being a mine, in which persons work in getting slate, stone, coprolites, or other minerals;

(7) Pit banks;

(8) Dry cleaning, carpet beating, and bottle washing works;

(9) Places where manual labour is exercised by way of trade in altering, repairing, finishing, or adapting for sale any article.

(c) Workshop.

Where the steam, water, or other mechanical power which makes the premises a factory is absent, the place is termed a workshop.

General Definitions.—The expression "child" means a person who is under the age of fourteen years, and who has not, being of the age of thirteen years, obtained the certificate of proficiency or attendance at school;

The expression "machinery" includes any driving strap or band;

The expression "mill-gearing" comprehends every shaft, whether upright, oblique, or horizontal, and every wheel, drum, or pulley, or other appliance by which the motion of the first moving power is communicated to any machine appertaining to a manufacturing process;

The expression "night" means the period between nine o'clock in the evening and six o'clock in the succeeding morning;

The expression "parent" means a parent or guardian of, or person having the legal custody of, or the control over, or having direct benefit from the wages of, a young person or child;

The expression "prescribed" means prescribed for the time being by the Secretary of State;

The expression "process" includes the use of any locomotive.

The expression "week" means the period between midnight on Saturday night and midnight on the succeeding Saturday night;

The expression "woman" means a woman of the age of eighteen years and upwards;

The expression "young person" means a person who has ceased to be a child and is under the age of eighteen years.

Health.—The requirements of the Act as to health as well as to safety apply to all factories and workshops except those in which male adults are exclusively employed. They must be maintained in a cleanly state, and kept free from effluvia arising from defective drains or other nuisances. For the purpose of securing cleanliness, all the inside walls of the rooms, ceilings, passages, and staircases must be limewashed every fourteen months or painted once in seven years.

Overcrowding must be avoided, and a factory or workshop is deemed to be overcrowded if there is less than 250 cubic feet of space allowed for every person employed during ordinary times, or 400 cubic feet during overtime. This space allowance may be increased by order if any other artificial light than the electric light is used. A notice must be put up specifying the number of persons employed in each room of the factory or workshop. The ventilation must be of such a character as to render harmless, so far as is practicable, all the gases, vapours, dust, or other impurities generated in the course of the manufacturing processes carried on that may be injurious to health. If the floors are likely to become wet, there must be a proper system of drainage. There must also be suitable sanitary accommodation for each sex. It is the duty of the inspector to see that these requirements are satisfied, though the Secretary of State may by a special order modify some of them in particular cases.

Safety.—All machinery must be fenced in, and the fencing must be maintained in an efficient state. Steam boilers must have a proper safety valve and steam gauge attached to them, and they must be examined by a competent person once every fourteen months. Self-acting machines are the subject of special regulations, set out in section twelve of the Act. No child is allowed to clean machinery in motion, and a young person may not clean any dangerous part of machinery so long as it is in motion. Means of escape in case of fire must be provided, and always maintained in good condition and free from obstruction. The doors must open easily from the inside, and in the case of new factories they must open outwards. A court of summary jurisdiction may prohibit the use of machinery or plant which is dangerous to

life or limb in any factory or workshop, on the complaint of an inspector, and may close a factory or a workshop which is in an unhealthy or dangerous condition.

Accidents.—Notice of any accident causing loss of life or serious injury is to be sent to the district inspector and to the certifying surgeon. A full investigation of the same is to be made, and a report prepared as to the circumstances of the whole affair.

Employment.—The regulations as to the hours of employment have reference to women, young persons, and children only. They do not apply to male adults. Notices clearly setting out the hours of labour and the time allotted for meals are to be affixed in the factories and workshops. Meals are not to be taken in the rooms where work is carried on. No Sunday work is allowed except in the case of Jews. The usual public holidays are to be observed, or other days granted instead thereof.

In textile factories, and in print, bleaching, and dyeing works, the hours of employment for women and young persons, on all days except Saturdays, may be between 6 a.m. and 6 p.m., or between 7 a.m. and 7 p.m. Two hours are to be devoted to meals, of which one hour must be before 3 p.m. On Saturdays, if work begins at 6 a.m., it is to end at mid-day for employment in any manufacturing process, and at 12.30 p.m. for any other employment, though half-an-hour is to be deducted from each of these times if less than one hour is allowed for meals. In any case there must be an allowance of half-an-hour. When work begins at 7 a.m. it is to finish at 12.30 or 1 p.m. under similar circumstances, half-an-hour being allowed for meals.

In non-textile factories and workshops, the daily hours, except Saturdays, are fixed as commencing at 6, 7, or 8 a.m., and finishing at 6, 7, or 8 p.m., with an allowance of 1½ hours for meals, one hour of which must be before 3 p.m. On Saturdays, the hours are fixed as between 6, 7, and 8 a.m., and 2, 3, and 4 p.m., with half-an-hour's allowance for meals. If the period of employment on any one day of the week is not more than eight hours, Saturday's period may be from 6 a.m. to 4 p.m., with an interval of two hours for meals.

Children can only be employed on the system of morning and afternoon sets, or on alternate days. The minimum age for employment in a factory or workshop is twelve years.

There are many exceptions to the general rules and regulations as to the hours of employment, particulars of which must be obtained from the Act itself.

Overtime may be worked by women employed in non-textile factories and workshops to the extent of two hours daily or three days in any one week, or thirty days in any one year, an allowance of two hours being made for meals instead of an hour and a half, of which half-an-hour must be after 5 p.m. This rule may be extended by a special order of the Secretary of State, either generally or under special circumstances.

As to night work, a male young person of fourteen years of age may be employed in blast furnaces, iron mills, letter-press printing works and paper mills. The period of employment is not to exceed twelve consecutive hours, nor must there have been employment during the preceding twelve hours. There must likewise be no employment during the succeeding twelve hours. Night work is not allowed on more than six nights, or in the case of blast furnaces and paper mills, seven nights in any two consecutive weeks. If the night employment is in glass works, the total period must not exceed sixty hours in any one week. In a factory or workshop where newspaper printing is carried on, a male young person of sixteen years of age may be employed on two nights a week, but not for any longer consecutive period than twelve hours.

Notification must be made to the district inspector by the owner or occupier of a factory or workshop, if it is intended to take advantage of any of the exceptions of the Act to work overtime, or to utilise the night labour of a male young person under sixteen years of age.

No woman is allowed to work in a factory or workshop within four weeks of childbirth, and no person under sixteen years of age is to be employed unless the certifying surgeon has granted him or her a certificate of fitness.

Education.—Children employed in factories or workshops must attend some recognised efficient school, except those over the age of thirteen years who have obtained an educational certificate. Where the employment is on the morning or afternoon set system, one attendance per day must be made, and where it is on the alternate day system, two attendances must be made on each workday preceding each day of employment.

Dangerous and Unhealthy Industries.—There are certain trades and industries

which are specifically regulated by the Act, but a wide discretion is given to the Secretary of State as to the classification of other industries as dangerous, and as to the imposition of regulations concerning them. There is no general disposition on the part of the legislature to extend their protection beyond women, young persons, and children. Male adults are left to contract as they choose, unless a special exception is made in their favour. In some industries young persons and children are altogether excluded from employment, and in all cases where there is risk of danger or the conditions are unhealthy, stringent regulations are imposed as to washing accommodation and ventilation. In addition, any medical practitioner who visits a patient suffering from lead, phosphorus, arsenical, or mercurial poisoning, or anthrax, which has been contracted in any factory or workshop, must notify the same to the Home Office, to the district inspector, and to the certifying surgeon. These matters are fully dealt with in sections 73 to 86 of the Act.

Special Modifications and Extensions. —The fifth part of the Act deals with tenement factories, cotton cloth factories, bakehouses, laundries, docks, etc., from the provisions of which there is an exemption on the ground of men alone being employed in or about them.

(*a*) Tenement factories. This is the name given to those factories in which mechanical power is supplied from some common source to the different manufacturing processes carried on in the same building. For the purposes of the Act all buildings so supplied and situated within the same close or curtilage are treated as one building. The owner of the whole building, whether he is one of the occupiers or not, is responsible for the observance of the regulations as to cleanliness, over-crowding, ventilation, fencing of machinery, prevention of inhalation of impurities, and the affixing of notices and orders. Special precautions are required to be taken in those tenement factories in which the grinding of cutlery is carried on, and arrangements must be made by which there is instantaneous communication between the various rooms and with the engine-room and the boiler-house.

(*b*) Cotton cloth factories. In these factories atmospheric humidity is artificially produced. Sections 90 to 96 and the fourth schedule of the Act deal with the temperature and humidity that are to be allowed, though the Secretary of State is empowered to make alterations in the same from time to time. For the protection of health there are minute regulations as to the sources of supplies of water, the sizes of steam-pipes and their covering, and the arrangements for ventilation.

(*c*) Bakehouses. No place or building of an insanitary character, nor any pipe or drain connecting with the same, must communicate with any part of a bakehouse. Underground bakehouses are forbidden, except those certified to be in a fit condition and constructed before 1902. (An underground bakehouse is one of which the floors are more than three feet below the level of the street.) No part of a building on the same level as a bakehouse may be used for sleeping accommodation unless it is effectually separated from the bakehouse by a partition extending from the floor to the ceiling, and has an external glazed window which can be opened for ventilation. The interior of every bakehouse must be either lime-washed every six months, or painted or varnished every seven years, and in the latter case the paint or varnish must be washed every six months. The provisions of the Act as to retail bakehouses are enforced by the district council, and not by the factory inspector.

(*d*) Laundries. In every laundry carried on by way of trade or for the purpose of gain, the Act provides as follows:—

(1) (*a*) The period of employment, exclusive of meal hours and absence from work, shall not exceed, for women fourteen hours, for young persons twelve hours, and for children ten hours in any consecutive twenty-four hours; nor a total for women and young persons of sixty hours, and for children of thirty hours, in any one week, in addition to such overtime as may be allowed in the case of women.

(*b*) A woman, young person, or child must not be employed continuously for more than five hours without an interval of at least half-an-hour for a meal.

(*c*) Women, young persons, and children employed in the laundry shall have allowed to them the same holidays as are allowed to women, young persons, and children employed in a factory or workshop under this Act.

(*d*) So far as regards provisions with respect to health and safety, accidents, education of children, notice of occupation of a factory or workshop, the affixing of abstracts and notices and the

matters to be specified in those notices (so far as they apply to laundries), powers of inspectors, fines, and legal proceedings for any failure to comply with the provisions of this section, this Act shall have effect as if every laundry in which steam, water, or other mechanical power is used in aid of the laundry process were a factory, and every other laundry were a workshop, and as if every occupier of a laundry were the occupier of a factory or of a workshop.

(e) The notice to be affixed in the laundry shall specify the period of employment and the times for meals, but the period and times so specified may be varied before the beginning of employment on any day.

(f) The provisions of this Act prohibiting the employment of women within four weeks after childbirth, and of children under the age of twelve years, shall apply to the laundry in like manner as to a factory or workshop.

(2) Women employed in laundries may work overtime, subject to the following conditions, namely:—

(a) A woman must not work more than fourteen hours in any day; and

(b) The overtime worked must not exceed two hours in any day; and

(c) Overtime must not be worked on more than three days in any week or more than thirty days in any year; and

(d) The requirements of section sixty of this Act with respect to notices must be observed.

(3) In the case of every laundry worked by steam, water, or other mechanical power—

(a) A fan or other means of a proper construction must be provided, maintained, and used for regulating the temperature in every ironing-room, and for carrying away the steam in every washhouse in the laundry; and

(b) All stoves for heating irons must be sufficiently separated from any ironing-room, and gas-irons emitting any noxious fumes must not be used; and

(c) The floors must be kept in good condition and drained in such manner as will allow the water to flow off freely.

A laundry in which these provisions are contravened shall be deemed to be a factory not kept in conformity with this Act.

(4) Nothing in this section shall apply to any laundry in which the only persons employed are—

(a) Inmates of any prison, reformatory, or industrial school, or other institution for the time being subject to inspection under any Act other than this Act; or

(b) Inmates of an institution conducted in good faith for religious or charitable purposes; or

(c) Members of the same family dwelling there;

or in which not more than two persons dwelling elsewhere are employed.

Docks.—Docks, wharves, quays, warehouses connected with them, buildings for the construction of which machinery is temporarily used, and railway lines and sidings used in connection with a factory or a workshop, are classed as factories for the purposes of the Act, and the provisions and regulations as to accidents, dangerous trades, and the powers of inspectors apply to each.

Home Work.—In the case of persons employed in such classes of work as may from time to time be specified by special order of the Secretary of State, the occupier of every factory and workshop and every contractor employed by him is required to keep lists showing the names and addresses of all persons directly employed by him in the business of the factory or workshop outside the same, and the places where they work, and to send copies of the lists to the local district council on or before February 1 and August 1 of each year. If notice is given to the occupier of a factory or workshop by the local district council that any of these places outside the factory or workshop is injurious or dangerous to health, no further work must be given out to be done there. This provision applies to the following classes of work: making, repairing, and cleaning of wearing apparel; the making, ornamenting, and finishing of lace, lace curtains, and nets; cabinet and furniture making; upholstery work; the making of electro-plate and files; and fur pulling. Wearing apparel must not be given out to be made, cleaned, or repaired in any places in which an inmate is suffering from scarlet fever or small-pox. The local district council may also make an order forbidding any work to be given out to any person living or working in a house in which there is a person suffering from any infectious disease.

A private dwelling-house becomes a domestic factory or workshop by reason of the work carried on there by the members of the family, even when there is no mechanical power made use of. The Act regulates the hours of employment as far as young persons and children are concerned as follows:—

(*a*) No young person may be employed except between 6 a.m. and 9 p.m. on any week-day, nor after 4 p.m. on Saturdays. The allowance for meal times is two and a half hours on Saturdays, and four and a half on each of the other days of the week.

(*b*) No child may be employed except between 6 a.m. and 1 p.m., or 1 p.m. and 8 p.m. On Saturdays the last-named hour is reduced to 4 p.m. A child must not be employed in successive weeks during the same one of the above periods, nor on Saturday if he has been employed during that week in the morning, or on Saturday afternoon if employed during the week in the afternoon. Continuous employment beyond five hours without an interval for meals is forbidden, and attendance at school is compulsory unless a certificate of exemption has been granted.

The provisions of the Act do not apply to domestic workshops in which the only industries carried on are straw plaiting, pillow-lace making, glove making, or the making, altering, repairing, ornamenting, finishing, or adapting for sale of any article which is not the regular and principal means of livelihood of the family.

Particulars of Work and Wages.—In every textile factory the occupier is required to give particulars of the work done and of the rate of wages to be given to each piece worker, in order to enable such worker to compute the total amount of wages due to him. This may also be extended, by special order, to non-textile factories and workshops, and also to domestic factories and workshops. But where the persons employed are men only, this portion of the Act does not apply.

Notices, Registers, and Returns.—Great importance is attached to this portion of the Act. The sections dealing with them are therefore given in full.

127. (1) Every person shall, within one month after he begins to occupy a factory or workshop, serve on the inspector for the district a written notice containing the name of the factory or workshop, the place where it is situate, the address to which he desires his letters to be addressed, the nature of the work, the nature and amount of the moving power therein, and the name of the person or firm under which the business of the factory or workshop is to be carried on.

(2) In the event of a contravention of this section by the occupier of a factory or workshop, he shall be liable to a fine not exceeding five pounds.

(3) Where an inspector receives notice in pursuance of this section with respect to a workshop, he shall forthwith forward the notice to the district council of the district in which the workshop is situate.

128. (1) There shall be affixed at the entrance of every factory and workshop, and in such other parts thereof as an inspector for the time being directs, and be constantly kept so affixed in the prescribed form and in such position as to be easily read by the persons employed in the factory or workshop—

(*a*) The prescribed abstract of this Act; and

(*b*) A notice of the name and address of the prescribed inspector; and

(*c*) A notice of the name and address of the certifying surgeon for the district; and

(*d*) A notice of the clock (if any) by which the period of employment and times for meals in the factory or workshop are regulated; and

(*e*) Every notice and document required by this Act to be affixed in the factory or workshop.

(2) In the event of a contravention of this section in a factory or workshop, the occupier of the factory or workshop shall be liable to a fine not exceeding forty shillings.

129. (1) In every factory and workshop there shall be kept a register, called the general register, showing in the prescribed form the prescribed particulars as to—

(*a*) The children and young persons employed in the factory or workshop; and

(*b*) The lime-washing of the factory or workshop; and

(*c*) Every accident in the factory or workshop of which notice is required to be sent to an inspector; and

(*d*) Every special exception of which the occupier of the factory or workshop avails himself; and

(*e*) Such other matters as may be prescribed.

(2) Where any entry is required by this Act to be made in the general register, the entry made by the occupier of a factory or workshop or on his behalf shall, as against him, be admissible as *primâ facie* evidence of the facts therein stated, and the failure to make any entry so required with respect to the observance of any provision of this Act shall be admissible as *primâ facie*

evidence that that provision has not been observed.

(3) The register shall at all reasonable times be open to inspection by the certifying surgeon of the district.

(4) The occupier of a factory or workshop shall send to an inspector such extracts from the general register as the inspector from time to time requires for the execution of his duties under this Act.

(5) If in any factory or workshop any requirement of this section is not complied with, the occupier shall be liable to a fine not exceeding five pounds.

130. (1) The occupier of every factory or workshop shall, on or before such days as the Secretary of State may direct, at intervals of not less than one nor more than three years, send to the Chief Inspector of Factories a correct return specifying, with respect to such day or days, or such period as the Secretary of State may direct, the number of persons employed in the factory or workshop, with such particulars as to the age, sex, and occupation of the persons employed as the Secretary of State may direct, and in default of complying with this section shall be liable to a fine not exceeding ten pounds.

(2) The occupier of any place to which any of the provisions of this Act apply shall, if so required by the Secretary of State, make to the Chief Inspector of Factories a like return as is required to be made by this section, and shall be liable to a like fine for default in compliance with the requirement.

131. Every district council shall keep a register of all workshops situate within their district.

132. The medical officer of health of every district council shall, in his annual report to them, report specifically on the administration of this Act in workshops and workplaces, and he shall send a copy of his annual report, or so much of it as deals with this subject, to the Secretary of State.

Penalties.—Various penalties are imposed for specific offences set out in the Act. Proceedings are ordinarily taken before justices on the complaint of the factory inspector, or the local district council. There is a right of appeal from the decision of the justices to quarter sessions.

FAILURE. (Fr. *Faillite*, Ger. *Zahlungseinstellung*, Sp. *Quiebra, fallido*, It. *Fallimento.*)

This means the suspension of payment of a commercial firm or an individual.

FAIR TRADE. (Fr. *Commerce loyal*, Ger. *gerechter Handel*, Sp. *Comercio legal*, It. *Traffico leale, commercio leale.*)

This phrase has come into vogue in recent times and may be defined as the taxing of goods coming into this country from those countries which impose duties upon English manufactures, and only admitting the commodities of other nations duty free to the same extent as they admit English goods on the same terms.

FARTHING. (Fr. *Farthing, centime*, Ger. *Heller*, Sp. *Farding* (*Moneda inglesa*), It. *Duo centesimi.*)

A farthing is the fourth part of a penny. At one time the penny was issued nearly divided into quarters by two deep cuts, so that a fourth would be easily broken away. Farthings are indicated in accounts by fractions of a penny. In banking accounts farthings do not occur, as fractions of a penny are not recognised.

FATHOM. (Fr. *Brasse*, Ger. *Klafter*, Sp. *Braza*, It. *Misura di profondità, metri* 1·82.)

This is a measure of length containing six feet. It is principally employed in ascertaining the depth of water and mines, and for regulating the length of cordage and cables.

FAVOUR. (F. *Lettre, honorée, commande*, Ger. *geehrtes Schreiben, Geehrtes*, Sp. *Carta, su estimada, favorecida*, It. *Lettera, la pregrata* (*vostra*).

In commercial correspondence this word is often used to indicate a letter received.

FEE. This word has two meanings in law and commerce—

1. (Fr. *Fief*, Ger. *Lehen*, Sp. *Feudo*, It. *Feudo.*)

A grant of land for feudal service.

2. (Fr. *Honoraires*, Ger. *Gebühr, Honorar*, Sp. *Honorarios, gratificaciones, cuotas*, It. *Salario, onorario, paga.*)

A recompense for services rendered or to be rendered.

FEE-SIMPLE. (Fr. *Fief simple, propriété libre*, Ger. *Freilehen*, Sp. *Propiedad libre de cargas*, It. *Franco allodio, feudo assoluto.*)

A fee-simple is a freehold estate or inheritance absolutely free and at the entire disposal of the owner. It is the highest estate in land known to the English law.

FEE-TAIL. (Fr. *Bien substitué*, Ger. *bedingtes Lehen*, Sp. *Bienes substituidos*, It. *Proprietà sostituita o vincolata.*)

A fee-tail is a freehold estate or inheritance which must descend in a particular line.

FEU. (Fr. *Fief, rente foncière,* Ger. *Lehngut,* Sp. *Feudo, tenencia feudal,* It. *Rendita fondiaria, feudo.*)

This is, literally, land that is held on feudal tenure. In Scotland, it is a tenure in which the vassal makes a return in grain or in money, in place of military service.

FIAT. (Fr. *Commandement, ordre, décret, consentement,* Ger. *Befehl,* Sp. *Orden, decreto,* It. *Decreto, ordine.*)

This Latin word means "let it be done." It is generally used to indicate a formal order.

FIDELITY GUARANTEE. (Fr. *Garantie de fidélité,* Ger. *Redlichkeitssicherheit,* Sp. *Fianza de fidelidad,* It. *Garanzia di fedeltà.*)

(See *Guarantee.*)

FIDUCIARY LOAN. (Fr. *Prêt fiduciaire,* Ger. *ungedeckte Anleihe,* Sp. *Prestamo fiduciario,* It. *Prestito fiduciario.*)

A fiduciary loan is one that is granted without security upon the confidence of the honour of the borrower.

FIDUCIARY NOTE ISSUE. (Fr. *Émission fiduciaire,* Ger. *ungedeckte Notenausgabe,* Sp. *Emisión fiduciaria,* It. *Emissione fiduciaria.*)

This is an issue of notes by banks or governments without any reserve of coin or bullion to meet them, but on the faith that they will be paid upon presentation.

FIEF. (Fr. *Fief,* Ger. *Lehen,* Sp. *Feudo,* It. *Feudo, dominio in feudo.*)

Land held of a superior in fee, or on condition of the performance of military or other service.

FIERI FACIAS. This is the name of the writ which is issued after a judgment has been obtained (generally called *fi. fa.*), commanding the sheriff to recover the amount of the judgment out of the goods and chattels of the judgment debtor, together with interest at the rate of 4 per cent., and to pay the same into court for the benefit of the judgment creditor. By the authority thus given, the sheriff can enter the dwelling place of the debtor and seize any goods that are his property. But he must not seize the goods of any other person, and he will be a trespasser if he enters the house of a third person and there are no goods in it which are the property of the debtor. Execution under a writ *fi. fa.* must be carefully distinguished from distress.

Under the writ the sheriff after seizure may sell all the goods and chattels which he has taken with the exception of the wearing apparel and bedding of the judgment debtor or his family, and the tools and implements of his trade to the value of £5. He may also sell a lease or term of years, and assign the same under his seal of office to the purchaser. Growing corn and crops which are raised by the industry of man are liable to seizure, and, by statute, such *choses in action* as bank-notes, cheques, bills of exchange, bonds, and other securities for money may be taken. But goods which are in the custody of the law, as by distress, are exempt.

If goods are wrongfully seized, as being the property of a third person, the rightful owner may intervene and claim them. The usual course, however, in any case of doubt, is for the sheriff to claim the protection of the court. This is done by means of what is called "an interpleader summons," which is served upon the claimant and the execution creditor. Both these parties and the sheriff attend before a master, and the latter almost invariably directs an issue, that is, orders that the claims of the execution creditor and the claimant shall be heard in an ordinary trial, the sheriff meantime retaining the goods, and being ready to give them up to the successful party. The master has power to decide the case summarily if the amount in dispute is less than £50, and there is no difficult question of law or fact. Unless the claimant is willing to give security to abide the event of the issue, the sheriff may be empowered to sell so much of the goods as will realise the amount of the judgment debt.

In many cases the trial of an interpleader issue, where the amount of the judgment is not very considerable, is heard in some county court, as it is likely to come on at an earlier date than if it is tried in the High Court.

FIGURE CODE. (Fr. *Code télégraphique en chiffres,* Ger. *Ziffer-Telegraphenschlüssel,* Sp. *Código telegráfico en guarismos,* It. *Codice telegrafico in cifre.*)

Codes used for cabling or telegraphing are of various kinds, sometimes in words and sometimes in figures. When the latter method is adopted the code used is called a figure code.

FILE. (Fr. *Liasse, pique-notes,* Ger. *Vorrichtung zum Aufreihen von Papieren,* Sp. *Fila de papeles,* It. *Filo per infilar carte, casellario.*)

A file is a wire or other contrivance in or upon which papers are arranged in order.

9A—(1420)

FINANCE. (Fr. *Finances*, Ger. *Finanzwesen*, Sp. *Financias*, It. *Finanze.*)

Finance is the science regulating money matters. Formerly the word was used only in connection with the management of the revenues of a State. Now it has a wider meaning, and is most generally applied in commerce to the raising of money by subscriptions, and in the employment of it in loans for the carrying out of public or commercial undertakings.

FINANCIER. (Fr. *Financier*, Ger. *Finanzmann*, Sp. *Financiero*, It. *Finanziere.*)

A financier is a person who is versed in finance, or who raises or supplies money for public or commercial undertakings.

FINE GOLD. (Fr. *Or pur*, Ger. *Feingold*, Sp. *Oro de ley*, It. *Oro puro, oro di zecchino.*)

The gold from which our coins are made is composed of twenty-two parts of pure gold and two parts of alloy. As contradistinguished from pure gold it is called fine gold.

FINE PAPER. (Fr. *Papier de première valeur*, Ger. *bestes Papier*, Sp. *Papel de buena firma*, It. *Carta con buone firme, carta di primo ordine.*)

(See *First-class Paper.*)

FIRE INSURANCE. (Fr. *Assurance contre l'incendie*, Ger. *Feuerversicherung*, Sp. *Seguro contra incendio*, It. *Assicurazione contro l'incendio.*)

This is a contract of indemnity, almost invariably effected by joint-stock companies. The insurer undertakes, in consideration of the premium paid, to make good any loss or damage caused by fire during a specified time. The maximum amount which can be claimed is fixed by the parties and inserted in the policy, but this amount is not the measure of the loss. The loss can only be ascertained after a fire has occurred.

The period for which the insurance is effected is generally one year, and the policy is renewed annually by payment of another premium, the insurer generally allowing fifteen days, called days of grace, after the expiration of the year for the renewal of the policy.

The insured person must have an interest of a pecuniary nature in the subject matter of the contract. As a rule any existing right or interest amounts to an insurable interest. An owner can insure his own goods, a trustee the property which he holds in trust, a common carrier the things which come into his possession in the ordinary course of his trade, and a pawnbroker his pledges.

The utmost good faith is required in filling the proposal form. The policy sets out the risks which are insured against. Fire policies vary greatly according to the nature of the property or goods insured, and the exact construction of each will depend upon the particular facts. As a general rule, in addition to the requirements of full disclosure and true description, in order to maintain the policy valid, the insured is bound—

(1) Not to increase the risk subsequently to the granting of the policy by doing anything to the goods or to the building in which they are contained;

(2) Not to remove the goods without the consent of the insurer.

(3) Not to assign the goods otherwise than by will.

No policy is issued until after the first premium has been paid.

When a loss occurs, it is generally stipulated that notice shall be given to the insurance office within a certain time, accompanied by full particulars of the goods destroyed and an estimate of their value. This will then be a condition precedent to the insured's taking proceedings to recover the amount of the loss he has sustained. If the parties cannot agree, the dispute is commonly referred to arbitration.

As a person cannot recover more than the amount of his actual loss, limited as has been stated to the sum fixed by the policy, there is no advantage in effecting numerous insurances in various offices in excess of the total value of the property. If this is done, the insurance offices share the losses, each paying in proportion to the amount insured with them. Moreover, an insurer is entitled to every right of the insured which arises upon the occurrence of the risk, and is independent of the insurance. This is called the "doctrine of subrogation," and a good example of it is the case of *Castellain* v. *Preston*, 1883, 11 Q.B.D. 380. In that case a vendor had contracted with a purchaser for the sale of a house at a specified sum. The house had been insured by the vendor against fire, but the contract of sale contained no reference to the insurance. After the date of the contract, but before the date fixed for the completion of the sale, the house was damaged by fire, and the insurance company paid the amount of the damage to the vendor. The purchase was afterwards completed

and the purchaser paid the agreed purchase money without any deduction on account of the damage caused by the fire. It was held that the vendor, having suffered no loss on the sale of the house, was bound to return the insurance money to the company.

By 14 Geo. III, c. 78, passed in 1774, it was enacted when a building in the Metropolitan district is burnt down, any person interested—especially the insurance offices—may require the insurance money to be laid out in repairing or rebuilding the structure. By 28 & 29 Vict. c. 90, passed in 1865, any damage occasioned by the Metropolitan Fire Brigade in the due execution of their duties shall be deemed to be damage by fire within the meaning of any policy of insurance against fire.

The rate of premium usually charged on common risks is 1*s.* 6*d.* per cent., hazardous, 2*s.* 6*d.* per cent., and doubly hazardous, 4*s.* 6*d.* per cent., but these are subject to variation.

The policy must bear a penny stamp, which may be an adhesive one.

An ordinary fire insurance policy will not cover damage caused by extra ordinary means, such as incendiary bombs dropped from air craft in war, etc. Risks of this kind must be provided against by special insurance.

FIRKIN. (Fr. *Quartaut*, Ger. *Viertelfass*, Sp. *Cuñete*, It. *Barile, fusto.*)

This is an old measure of capacity, the fourth part of a barrel, equivalent to nine imperial gallons.

FIRM. (Fr. *Maison, raison sociale*, Ger. *Firma*, Sp. *Razón social, casa*, It. *Ditta, casa commerciale, ragione sociale.*)

When a number of individuals combine together for the purpose of carrying on a business they are only known collectively as the firm. The number of persons must not exceed twenty in any case, nor ten if it is a bank, unless the same is registered under the Companies Act, 1908. In legal proceedings, the firm name may always be used instead of the individual names of the partners, even when the business is carried on by one person in some name or under some style which is not his own. But no order of adjudication in bankruptcy is made against a firm in the firm name, but against each partner individually.

FIRST HAND. (Fr. *De première main*, Ger. *aus erster Hand*, Sp. *De primera mano*, It. *Di prima mano.*)

This term is applied to all goods obtained direct from the maker, importer, or wholesale dealer.

FIRST OF EXCHANGE. (Fr. *Première de change, première*, Ger. *Primawechsel, prima*, Sp. *Primera de cambio, primera*, It. *Prima di cambio, prima.*)

(See *Bill of Exchange.*)

FIRST-CLASS PAPER. (Fr. *Papier de première valeur*, Ger. *feinstes Papier*, Sp. *Papel de primera*, It. *Carte con buone firme, carte di primo ordine.*)

In the money market, this phrase is given to bills, drafts, promissory notes, and similar documents, which bear the names of well-known houses or financiers as acceptors or indorsers. Consols, exchequer bills and bonds, and treasury bills and bonds, being guaranteed by the Government, are included under this head.

FITTAGE. (Fr. *Commission*, Ger. *Provision*, Sp. *Comisión*, It. *Provvigione, senseria.*)

Fittage is a term used in certain trades for a commission or brokerage.

FITTER. (Fr. *Commissionaire*, Ger. *Kohlenagent*, Sp. *Agente*, It. *Rappresentante, commissionario, agente.*)

In the coal trade a fitter is the manager or salesman of coal for a colliery—not necessarily at the mine—who arranges sales and the loading of boats with coal.

FIXED CAPITAL. (Fr. *Capital fixe, capital engagé*, Ger. *festes Kapital*, Sp. *Capital fijo*, It. *Capitale fisso, capitale impegnato o investito.*)

This signifies capital which is employed in the purchase of land, in the execution of works, or in the erection of machinery in the hope of making a series of profits during an indefinite period of time. As all things are liable to destruction by wear and tear no capital can be considered as absolutely fixed; but every capitalist expects that the profits derived from the employment of what is generally known as fixed capital will be sufficient to replace the old stock by new, and yield in addition a certain gain to himself.

FIXED CHARGES. (Fr. *Prix fixes, frais fixes*, Ger. *feste Preise, feste Spesen*, Sp. *Precios fijos, gastos fijos*, It. *Prezzi fissi, spese fisse.*)

In book-keeping, fixed charges are those charges which recur regularly without any regard as to trade done, such as rent, rates, taxes, etc.

FIXED OILS. (Fr. *Huiles comprimées*, Ger. *fette Öle*, Sp. *Aceites fijados*, It. *Oli pressati o torchiati*).

These are the oils obtained by pressure, such as palm oil, olive oil, linseed oil, etc.

FIXTURES. (Fr. *Meubles fixés à*

demeure, Ger. *unbewegliche Gegenstände*, Sp. *Muebles fijos*, It. *Infissi*.)

Fixtures may be described generally as articles of a personal nature which have become affixed to land. The principle from which this definition originates is found in the maxim *quidquid plantatur in solo solo cedit*. In early times the maxim was carried out literally. When anything was annexed to land and made a part of it, the owner of the article lost the whole of his property in the same, and was considered to have made a gift of it to the freeholder. But in more recent times the meaning of the word has been considerably restricted.

Difficulties as to fixtures may arise either between the devisee of an estate and the personal representative of a deceased person, or between a landlord and his tenant. In the former case there is this single point to consider: Did the person who annexed the chattel to the land do so with the intention of incorporating the same with the property? If he did the fixture passes to the devisee of the land; if not it forms part of the general estate of the testator and passes to the personal representative. It is impossible to lay down a general rule, and the circumstances of each case must be considered before an inference can be drawn as to the purpose of annexation. In a quite recent case the facts were as follows: Tapestries had been purchased by the tenant for life of freehold estates and affixed to the walls of the drawing-room in the mansion house. Strips of wood were placed over the paper which covered the walls, and were fastened by nails to the walls. Canvas was then stretched over the strips of wood and nailed to them, and the tapestries were then stretched over the canvas and fastened by tacks to it and the pieces of wood. Mouldings, resting on the surface of the wall and fastened to it, were placed round each piece of tapestry. Portions of the walls which were not covered by the tapestries were covered with canvas, which was coloured or painted so as to harmonise with the tapestries. It was held that the tapestries had been thus affixed for the purpose of ornamentation and the better enjoyment of them as chattels, and that on the death of the tenant for life they did not pass with the freehold to the remainderman, but formed part of the personal estate of the tenant for life, and could be removed by the executor, the latter paying the expenses of making good the damage done in removing the tapestries, but not the cost of redecorating the room.

Between landlord and tenant the question of fixtures is of a more extensive character. The fixtures may be divided into two classes: (*a*) landlord's fixtures, and (*b*) tenant's fixtures. The former include all those chattels which have been placed on the land by the landlord himself, either before the commencement or during the continuation of the term, or which are on the premises at the beginning of such term, and also those erected by the tenant which he is not at liberty to take away. The latter are those which a tenant has a right to remove and take away at the end of his tenancy, and which have been erected by him for the purposes of trade, ornament, domestic use, or agriculture. A tenant may also remove any fixtures which have been the subject of special stipulations between the landlord and himself.

It is the general rule of law that if the tenant affixes anything to the freehold during the period of his tenancy, no removal can take place without the consent of the landlord. But there must be complete annexation. Mere contact with the soil is insufficient, no matter how heavy the chattel is. A wooden barn supported by beams resting on the ground is not a fixture which passes to the landlord, nor does it make any difference if the supports of such a building are fixed in the ground. But where an engine was affixed by means of screws and bolts to a concrete bed in freehold land, for the purpose of driving a saw mill on the land, the engine was held to have ceased to be a chattel and to have become a part of the freehold. The annexation may likewise be constructive, as, for example, keys, locks, movable windows, and doors, and the duplicate parts of machines which are in themselves fixtures. But the annexation may be shown to be incomplete, if it is clear that the mode of annexation is such that the chattel can be removed and taken away without any injury being done to the freehold, and if the circumstances are such as to lead to a presumption that the annexation was intended to be for a temporary purpose or for the sake of enjoyment. Otherwise a carpet or a picture would not be removable by a tenant.

It was not until a century and a half ago that a tenant was allowed to remove fixtures set up for the purpose of ornament or convenience. And even now,

if any erection is in the nature of a permanent improvement of the premises, and cannot be removed without substantial damage being done to the freehold, the old rule of law remains, and the landlord becomes the owner. Among articles set up for ornament or convenience which may be removed are looking-glasses, tapestry hangings, window-blinds, cornices, ornamental chimney-pieces, cupboards, bookcases, or brackets screwed to the walls, and gas-fittings. But it has been held that a verandah fixed to posts in the ground, greenhouses built in a garden, a boiler built in masonry for heating purposes, and a conservatory erected on a brick foundation and attached to a dwelling-house cannot be removed. A tenant who is not a gardener by trade cannot move a border of box planted during his tenancy without the permission of the landlord.

In the interests of trade a tenant has a much more extensive power to remove fixtures, when they are used for trade purposes, than where the fixtures are for ornament or convenience. But even then the tenant has not the right to remove everything which he has set up. Much will depend upon the permanency of the erection, and upon the following three points: (*a*) was the article of a chattel nature before it was put up? (*b*) is it still of a chattel nature, although affixed to the freehold? and (*c*) can it be easily removed without any injury being done to itself or to the premises? If these can be answered in the affirmative the tenant will have a right to remove; if not, the chattel will go to the landlord. The following fixtures have been allowed to be removed by a tenant: a soap-boiler's vats, fire-engines at a colliery, saltpans fixed over furnaces in a brick frame, nursery trees, greenhouses and hothouses belonging to a market gardener, a hydraulic press fixed in bricks and mortar, and a fixed steam-engine and boilers. The exception to the general rule of law in favour of trade fixtures has been thus judicially expressed: "An exception has long been established in favour of a tenant erecting fixtures for the purposes of trade, allowing him the privilege of removing them during the continuance of the term. When he brings any chattel to be used in his trade, and annexes it to the ground, it becomes a part of the freehold, but with a power as between himself and his landlord of bringing it back to the state of a chattel again by severing it from the soil."

The rights of agricultural tenants are wider than those of ordinary tenants. By the 21st section of the Agricultural Holdings Act, 1908, it is enacted:—

"Where after the commencement of this Act, a tenant affixes to his holding any engine, machinery, fencing, or other fixture, or erects any building for which he is not under this Act, or otherwise, entitled to compensation, and which is not so affixed or erected in pursuance of some obligation in that behalf, or instead of some fixture or building belonging to the landlord, then such fixture or building shall be the property of, and be removable by the tenant, before or within a reasonable time of the termination of the tenancy. Provided as follows:—

"(1) Before the removal of any fixture or building the tenant shall pay all rent owing by him, and shall perform or satisfy all other of his obligations to the landlord in respect to the holding;

"(2) In the removal of any fixture or building the tenant shall not do any avoidable damage to any other building or other part of the holding;

"(3) Immediately after the removal of any fixture or building the tenant shall make good all damage occasioned to any other building, or other part of the holding, by the removal;

"(4) The tenant shall not remove any fixture or building without giving one month's previous notice in writing to the landlord of the intention of the tenant to remove it;

"(5) At any time before the expiration of the notice of removal the landlord, by notice in writing given by him to the tenant, may elect to purchase any fixture or building comprised in the notice of removal; and any fixture or building thus elected to be purchased shall be left by the tenant, and shall become the property of the landlord, who shall pay the tenant the fair value thereof to an incoming tenant of the holding; and any difference as to the value shall be settled by a reference under the Act, as in case of compensation (but without appeal)."

Similar rights are given to allotment tenants under the Allotment Act, 1907, and the above section applies to market gardens, under the Agricultural Holdings Act, 1908.

Where the tenant has the right to remove fixtures, he must take care to do so during the continuance of the tenancy, even though the lease is determined by forfeiture and not by effluxion of time.

Otherwise it is a presumption of law that the tenant has given them to the landlord. And if a tenant holds over wrongfully after the termination of his tenancy he cannot then remove his fixture. The rule is construed very strictly. In one case it was held to apply even though the fixtures remained on the premises by the parol consent of the landlord. Such a consent might give the tenant a right of action for the value of the fixtures against the landlord if permission to remove was subsequently refused, but it would give no right against the mortgagees of the landlord who were no parties to the permission granted if they were to refuse leave to remove.

An incoming tenant generally agrees to take the fixtures of an outgoing tenant at a valuation. It is generally desirable that the landlord should be made a party to the agreement; otherwise he might set up a claim on the ground that the outgoing tenant had forfeited any right to them by not removing them, and the incoming tenant could not, then, remove them at the end of his term.

On the sale of a freehold estate the fixtures pass from the vendor to the vendee, unless there is an express agreement to the contrary.

A contract for the sale of fixtures need not be evidenced by writing, since fixtures do not fall within the Statute of Frauds as being an interest in land.

If a landlord prevents a tenant from removing fixtures which belong to the tenant at the end of the tenancy, there is a right of action to recover the value of the fixtures. On the other hand, if the tenant removes fixtures to which he is not entitled, the landlord has a right of action for waste, that is, damage to his property, or, if there has been any agreement as to the fixtures, for breach of covenant. Where the fixtures have been actually severed and disposed of, an action may be maintained for the value of the same.

FLASH POINT. (Fr. *Point d'enflammation*, Ger. *Entflammungspunkt*, Sp. *Grado de inflamación*, It. *Punto d'inflammazione o combustione.*)

This is temperature registered by the thermometer at which oil gives off explosive vapour. When oil is said to have a flash point of 80° or 100°, it is meant that oil heated to that degree becomes inflammable by reason of the vapour which it then gives off.

FLOATING CAPITAL. (Fr. *Capital circulant, fonds de roulement*, Ger. *Betriebskapital*, Sp. *Capital flotante*, It. *Capitale circolante o in circolazione.*)

Floating capital is that portion of the wealth of a banker or trader which is employed in such a way that by parting with it the banker or trader replaces the same with a profit by a single operation. It is most generally applied to that sum of money which is actually at command for the carrying on of any business. In this sense it includes that portion of the capital which is not permanently invested, but which is only temporarily employed for profit in marketable securities.

FLOATING DEBT. (Fr. *Dette non-consolidée*, Ger. *schwebende Schuld*, Sp. *Deuda flotante*, It. *Debito fluttuante.*)

This is a term which signifies a debt which a borrower may be called upon to pay at short notice. It is also used to distinguish short loans from loans borrowed for a long period.

FLOATING MORTGAGE. (Fr. *Hypothèque flottante*, Ger. *flüssige Hypothek*, Sp. *Hipoteca flotante*, It. *Ipoteca fluttuante.*)

This is a security or charge which affects a variety of property and may attach to any one class to the exoneration of the remainder.

FLOATING POLICY. (Fr. *Police d'assurance flottante*, Ger. *offene Police*, Sp. *Póliza flotante*, It. *Polizza fluttuante.*)

A policy of insurance is called a floating policy when the insurance is effected for a certain amount, insuring goods which are not all in one place, but spread over a certain district or area, so that the goods, wherever they may be deposited, are covered, either wholly or in part, according as their aggregate value may happen to be either under or above the sum insured.

FLORIN. (Fr. *Florin*, Ger. *Gulden*, Sp. *Florin*, It. *Fiorino.*)

The name which is now applicable to a two-shilling piece in England. A coin of Austria is also called a florin, or gulden; its value is about 1*s*. 11½*d*. The Dutch florin or guilder is double the value of the franc, that is, 1*s*. 8*d*.

FLOTSAM. (Fr. *Epave flottante*, Ger. *Strandgut*, Sp. *Géneros flotantes*, It. *Avanzo di naufragio.*)

The name of goods lost by shipwreck and found floating on the sea.

FLUCTUATION. (Fr. *Fluctuation*, Ger. *Schwankung*, Sp. *Fluctuación*, It. *Fluttuazione, oscillazione.*)

This means a rise or fall in the price of anything.

FOLIO. (Fr. *Folio*, Ger. *Folioformat*, Sp. *Folio*, It. *Foglio.*)

A folio is a sheet of paper folded once only so as to make two leaves. In book-keeping the word is used strictly to denote the two opposite pages of an account book numbered as one, but it now commonly means the same as a page. In law-writing a folio indicates seventy-two words.

FOOLSCAP. (Fr. *Papier-pot, papier écolier*, Ger. *Kanzleiformat*, Sp. *Papel de barba, papel rayado*, It. *Carta fina e sostenuta.*)

This is a sheet of paper, 17 ins. by 13½ ins., so called from having formerly borne the water-mark of a fool's cap and bells, which is said to have been substituted by Cromwell for the Royal arms.

FOOT. (Fr. *Pied*, Ger. *Fuss*, Sp. *Pie*, It. *Piede, metri* ·30.)

In linear measurement the term "foot" is applied to a unit of measurement in most countries of the world, which differs considerably in length. It was evidently taken originally from the length of the human foot, as other measures of length were taken from other parts of the body. The English foot is 12 ins. long, or the third part of a yard. The French and the Rhenish foot (in common use in Germany) are slightly longer than the English foot, with which the Russian foot is identical. A metre is equal in length to 3·2818 English feet.

FOR MONEY. (Fr. *Au comptant*, Ger. *Kassageschäfte*, Sp. *Al contado*, It. *A contanti.*)

This, on the Stock Exchange, means dealings which are paid for in cash at the time they are made.

FOR THE ACCOUNT. (Fr. *À terme*, Ger. *Zeitgeschafte*, Sp. *A plazos*, It. *A termine.*)

This, on the Stock Exchange, means dealings which are to be paid for on the next settling day.

FORCE MAJEURE. (Fr. *Force majeure*, Ger. *hohere Macht, höhere Gewalt*, Sp. *Fuerza mayor*, It. *Forza maggiore.*)

This term is used to denote circumstances or events which no human precaution could have averted, or which no fraudulent intention could have produced; and those dangers and accidents which are beyond human power to control or to oppose.

FORECLOSE. (Fr. *Forclore*, Ger. *kündigen*, Sp. *Excluir*, It. *Escludere.*)

This signifies the taking actual possession of an estate or other thing mortgaged to secure repayment of a loan.

In equity it was always considered that a thing mortgaged was nothing more than a security for the money advanced. "Once a mortgage, always a mortgage." A mortgagee, therefore, was never allowed to take an estate on the failure of the mortgagor to pay at the stipulated time. Nevertheless payment must be made within a reasonable time, and a mortgagee is entitled to bring a foreclosure action to recover the money lent. There can be no foreclosure without an action. A date is then fixed by the court upon which the money due and the interest must be paid, and, failing this, the mortgagee is then permitted to take possession of the estate, and the mortgagor has no further right to redeem at any time.

FORECLOSURE. (Fr. *Forclusion*, Ger. *Subhastation*, Sp. *Subastación*, It. *Subasta.*)

This is the act of foreclosing.

FOREDATE. (Fr. *Antidater*, Ger. *vordatieren*, Sp. *Antefechar*, It. *Antidatare.*)

This means the dating of a document before its proper time.

FOREIGN BILL OF EXCHANGE. (Fr. *Lettre de change sur l'étranger*, Ger. *auswärtiger Wechsel*, Sp. *Letra de cambio sobre el extranjero*, It. *Divisa estera di cambio, cambiale sal estero.*)

A bill which is not drawn and payable within the British Islands, or not drawn within the British Islands upon some person resident therein is a foreign bill of exchange. (See *Bill of Exchange.*)

The Act of 1882 provides that when a bill drawn in one country is negotiated, accepted or payable in another, the rights, duties, and liabilities of the parties thereto are determined as follows:—

(1) The validity of a bill as regards requisites in form is determined by the law of the place of issue, and the validity as regards requisites in form of the supervening contracts, such as acceptance, or indorsement, or acceptance suprà protest, is determined by the law of the place where such contract was made. But where a bill is issued out of the United Kingdom, it is not invalid by reason only that it is not stamped in accordance with the law of the place of issue; and where such a bill conforms, as regards requisites in form, to the law of the United Kingdom, it may, for the purpose of enforcing payment thereof, be treated as valid as between all

persons who negotiate, hold, or become parties to it in the United Kingdom.

(2) The interpretation of the drawing, indorsement, acceptance, or acceptance suprà protest of a bill is determined by the law of the place where such contract is made; but where an inland bill is indorsed in a foreign country the indorsement shall, as regards the payer, be interpreted according to the law of the United Kingdom.

(3) The duties of the holder with respect to presentment for acceptance or payment, and the necessity for a sufficiency of a protest or notice of dishonour, or otherwise, are determined by the law of the place where the act is done or the bill is dishonoured.

(4) Where a bill is drawn out of, but payable in the United Kingdom, and the sum payable is not expressed in the currency of the United Kingdom, the amount shall, in the absence of some express stipulation, be calculated according to the rate of exchange for sight drafts of the place of payment on the day the bill is payable.

(5) Where a bill is drawn in one country and is payable in another, the due date thereof is determined according to the law of the place where it is payable.

What particular rules are applicable must be decided by the law of the country in question. For example, French law does not allow days of grace, and Spanish law does not require any notice of dishonour for non-acceptance.

FOREIGN GENERAL AVERAGE. (Fr. *Avarie grosse étrangère*, Ger. *ausländische grosse Haverei*, Sp. *Avería gruesa extranjera*, It. *Avaria grossa straniera.*)

This is a term used in marine insurance to imply that general average will be paid by the underwriters in accordance with an average statement made abroad.

FOREIGN MONEY. (See *Par of Exchange.*)

FOREIGN MONEY ORDERS. (Fr. *Mandats sur l'étranger*, Ger. *ausländische Postanweisungen*, Sp. *Giros mutuos*, It. *Vaglia internazionali.*)

These are money orders issued by the Post Office for the transmission of sums abroad. (See *Money Orders.*)

FOREIGN TELEGRAMS. (Fr. *Télégrammes extérieurs*, Ger. *ausländische Telegramme*, Sp. *Telegramas para el extranjero*, It. *Telegrammi per l'estero o internazionali.*)

These are telegrams sent or received from all parts beyond the seas.

FOREIGN TRADE. (Fr. *Commerce étranger*, Ger. *Aussenhandel*, Sp. *Comercio con el extranjero*, It. *Commercio estero.*)

Foreign trade is the commerce carried on between traders in different countries.

FORGERY. (Fr. *Falsification*, Ger. *Urkundenfälschung*, Sp. *Falsificación*, It. *Falsificazione.*)

The law relating to forgery and kindred offences was consolidated by the Forgery Act, 1913, and by section 1 of the Act it is provided:—

"(1) For the purpose of this Act, forgery is the making of a false document in order that it may be used as genuine, and in the case of the seals and dies mentioned in this Act the counterfeiting of a seal or die, and forgery with intent to defraud or deceive, as the case may be, is punishable as in this Act provided.

"(2) A document is false within the meaning of this Act if the whole or any material part thereof purports to be made by or on behalf or on account of a person who did not make it nor authorise its making; or if, though made by or on behalf or on account of the person by whom or by whose authority it purports to have been made, the time or place of making, where either is material, or in the case of a document identified by number or mark, the number or distinguishing mark identifying the document, is falsely stated therein; and in particular a document is false—

"(*a*) if any material alteration, whether by addition, insertion, obliteration, erasure, removal, or otherwise, has been made therein;

"(*b*) if the whole or some material part of it purports to be made by or on behalf of a fictitious or deceased person;

"(*c*) if, though made in the name of an existing person, it is made by him or by his authority with the intention that it should pass as having been made by some person, real or fictitious, other than the person who made or authorised it.

"(3) For the purposes of this Act—

"(*a*) It is immaterial in what language a document is expressed or in what place within or without the King's Dominions it is expressed to take effect;

"(*b*) Forgery of a document may be complete even if the document when forged is incomplete, or is not or does not purport to be such a document as would be binding or sufficient in law;

"(*c*) The crossing on any cheque, draft on a banker, post office money order, postal order, coupon, or other document, the crossing of which is

authorised or recognised by law, shall be a material part of such cheque, draft, order, coupon, or document."

Generally speaking, a forged document is valueless, and no person can obtain any rights through the same. A banker who pays a bill bearing a forged acceptance or indorsement must bear the loss, but he is not responsible for paying a cheque drawn upon himself which bears a forged indorsement, when acting in the ordinary course of business. He may rightly debit his customer with the amount of the cheque.

Difficulties sometimes occur in the case of forged transfers of shares in a joint-stock company. The forgery cannot destroy the title of the true holder. In any case his name must be restored to the register. But the company itself may be liable to a transferee if it has issued a certificate on the faith of the forged transfer, and the transferee has purchased on the faith of the certificate. The certificate acts as an estoppel. But if the transferee has acted solely upon the forged transfer and not upon any certificate the case is different. In order to protect themselves from liability, many companies refuse to certify a transfer of shares until they have communicated with the holder.

By the Forged Transfer Acts, 1891 and 1892, joint-stock companies, local authorities, incorporated friendly societies, and building or other provident societies, are empowered to create a fund for the compensation of transferees under forged transfers, whether they are legally liable or not to indemnify such transferees for losses sustained.

FORM OF APPLICATION. (Fr. *Imprimé*, Ger. *Bestellzettel*, Sp. *Forma de aplicación*, It. *Stampiglia di sottoscrizione.*)

When a joint-stock company is being brought out a form is issued, known by this name, so that parties may fill in the particulars as to the number of shares or the amount of stock they desire to hold, and state the amount they have paid as a preliminary to the company's bankers as a proof of *bona fides.* The form, when filled in, is taken to the bank, or other place denoted, and the counterpart, which is filled in by the bank cashier, forms the banker's receipt for the money paid.

FORTIFYING. (Fr. *Vinage, coupage*, Ger. *Mischung*, Sp. *Coupage*, It. *Taglio di liquidi per fortificarli.*)

This word means the mixing together of various qualities or growths of wines or spirits for the purpose of improving or strengthening the whole.

FORWARDING. (Fr. *Expédition*, Ger. *Beförderung, Spedition*, Sp. *Expedición, envio*, It. *Spedizione, spedire.*)

This is the act of sending forward merchandise for others.

FORWARDING AGENTS. (Fr. *Expéditeurs*, Ger. *Spediteure*, Sp. *Agentes expedicionarios*, It. *Spedizionieri.*)

These are persons who undertake the collection, forwarding, and delivery of goods.

FOUL BILL. (Fr. *Patente brute*, Ger. *unreiner Gesundheitspass*, Sp. *Patente sucia*, It. *Patente sudicia.*)

This is a certificate or instrument granted by a consul, or other competent authority, to the master of a ship at the time of clearing a port, declaring that the port is infected with disease. If a ship brings a foul bill the authorities may order a period of quarantine, the length of time depending upon the circumstances of the case.

FOUNDERS' SHARES. (Fr. *Actions des fondateurs*, Ger. *Gründeraktien*, Sp. *Acciones de fundadores*, It. *Azioni dei fondatori.*)

These are shares granted to the originator of a joint-stock company as a reward for services rendered in floating the concern, or to other persons, such as promoters and underwriters, who have interested themselves in procuring the necessary capital.

These shares are generally few in number, though they may become of great value if the business turns out a success. The rights attached to the shares vary considerably, and are generally provided for in the articles or memorandum of association. The prospectus of the company must state the number of such shares, unless, all the other necessary preliminaries having been observed, the company has become entitled to commence business a year before the issue of the prospectus.

Founders' shares are becoming less common than they were some years ago.

FRANC. (Fr. *Franc*, Ger. *Franc*, Sp. *Franco*, It. *Franco.*)

A franc is a French silver coin of the circulating value of about $9\frac{1}{2}d.$ sterling. £1 sterling is equivalent to 25·2 francs.

FRAUD. (Fr. *Fraude, circonvention*, Ger. *Betrug*, Sp. *Fraude, artificio*, It. *Frode, inganno.*)

Fraud is a false representation of facts, made with a knowledge of its falsehood, or recklessly without any belief in its truth, and with the intention that such

representation should be acted upon by the party defrauded, and actually inducing him to act upon it.

Fraud is always a ground for the avoidance of a contract. But it does not, of itself, render the contract void. The person defrauded may either repudiate it or adopt it, and in the latter case sue for any damages which have been sustained. But a person who intends to take action must not be guilty of undue delay, otherwise he will be held to have waived his rights.

Fraudulent statements made in writing as to a person's business stability, upon which another acts to his own detriment, may give rise to an action for deceit. Also directors are liable for fraudulent statements made in a prospectus, unless they are able to claim the protection of the Directors' Liability Act, 1890, or, since the passing of the Companies (Consolidation) Act, 1908, the provisions of the latter Act, which have now replaced the repealed Act of 1890. As to the liability of a principal for the fraud of his agent, see *Agency*.

Gifts and conveyances of property, whether of lands or chattels, are fraudulent if they are made for the purpose of delaying or defrauding creditors, and are therefore null and void against the creditors. But this does not extend to conveyances that are made for valuable consideration and *bonâ fide* to persons who have no notice of the fraud. Nevertheless, there are circumstances in which fraud will be presumed from the very nature of the transaction.

By the Bankruptcy Act, 1914, all voluntary conveyances, i.e., those made without consideration, are liable to be set aside as fraudulent if made within ten years before the date of the bankruptcy. Those made within two years are absolutely void, and those made within ten years are also void unless it is shown that the interest of the settlor passed entirely to the trustee of the settlement on the execution of the same, and that the settlor was able to pay the whole of his debts at the date of the settlement without the aid of any of the property comprised in it. For further particulars, see section 42 of the Bankruptcy Act.

To prefer one or more creditors to others is a fraud upon those others, and a deed purporting to carry out such an arrangement may be set aside. Fraudulent preference is now, however, an act of bankruptcy upon which any person aggrieved may present a petition.

FRAUDS, STATUTE OF. This statute was passed in 1678. Its professed object was the requirement that certain transactions should be evidenced by writing in order to prevent fraud and perjury. Only those portions of the statute are noticed which are of practical importance from a commercial standpoint.

The effect of this statute and the Act to amend the Law of Real Property, passed in 1845, so far as conveyances and leases are concerned, is that leases for more than three years, and those for a less period when the rent is not equal to two-thirds of the annual value of the land, must be by deed, and so must all assignments, grants, and surrenders of leases. A deed is necessary for the assignment of a lease, even though it is of such a kind that it could be made by parol. A lease for three years or less may be made by word of mouth, but an agreement for a lease for the same period is not enforceable unless evidenced by writing, by reason of the fourth section of the Statute of Frauds. The lessee must get into possession. Leases required to be by deed, if evidenced by writing only, may be enforced as agreements for leases. There is an exception in the case of an equitable mortgage, where it frequently happens that no writing is used at all.

As to trusts, the Statute of Frauds provides that "all declarations or creations of trusts or confidences of any lands, tenements or hereditaments shall be manifested and proved by some writing signed by the party who is by law enabled to declare such trust, or by his last will in writing, or else they shall be utterly void and of none effect." Any trust as to personal chattels, however, may be created by parol, provided it is to take effect in the lifetime of the creator of the trust. But a transfer of any trust must be evidenced by writing.

The fourth section of the statute is as follows: "No action shall be brought whereby to charge any executor or administrator upon any special promise to answer damages out of his own estate; or whereby to charge the defendant upon any special promise to answer for the debt, default, or miscarriage of another person; or to charge any person upon any agreement made in consideration of marriage; or upon any contract or sale of lands, tenements, or hereditaments, or any interest in or concerning them; or upon any agreement that is not to be performed within

the space of one year from the making thereof; unless the agreement upon which such contract shall be brought, or some memorandum or note thereof, shall be in writing, and signed by the party to be charged therewith, or some other party thereunto by him lawfully authorised."

Here it will be noticed that there are five kinds of contract which must have some document in writing to prove their existence. The third of these, viz., an agreement made in consideration of marriage, does not mean a promise to marry. The fifth, viz., an agreement not to be performed within a year, refers to those contracts only which cannot, according to their provisions, be wholly performed within a year. The best example that can be given is the very common one of the engagement of a servant. If the engagement is to commence immediately and to continue for one year, there is no need for the contract to be evidenced by writing. But if the engagement is to commence next week and to continue for one year certain, there must be some memorandum or note to satisfy the statute, otherwise no action can be brought upon the contract. In an action for wrongful dismissal, which came before the courts in 1901, it was held that a plaintiff who had been engaged on September 4 for one year commencing on September 5 could not recover damages for breach of contract in the absence of some memorandum or note in writing, signed by the defendant. In a later case, in 1903, a Divisional Court laid down the rule that this construction of the statute was too strict, and that no writing was necessary where the employment for a year was to commence on the day following that on which the agreement was made. This latter decision seems doubtful, and a prudent person will do well to take the former as being the more correct exposition of the law.

The memorandum or note in writing which is required to prove the existence of a contract need not be made at the time when the contract is entered into. It must, however, be in existence before any action can be brought upon the contract itself. No special form is required. It is "just such a memorandum as merchants in the hurry of business might be supposed to make." But it is necessary that the names of the parties should appear, that the subject matter of the contract should be set forth, that the consideration for the promise should be stated (except in the case of a guarantee), and that the party to be charged, or his duly authorised agent, should sign the document. If the party to be charged writes out the memorandum or note himself, and his name appears in any part of it, that is a sufficient signature. A recital in a will has been held to be a memorandum or note sufficient to satisfy the statute; and in order to connect the parties, when the name of the one to be charged and his signature appeared in the document relied on, but the name of the other party was not there, the envelope in which the document was sent was allowed to be put in evidence to show who the other party was, and thus make the memorandum complete.

The memorandum of agreement, or any agreement made under hand only, and not otherwise specifically charged with duty, must be stamped with a sixpenny stamp. An adhesive stamp may be used, but it must be cancelled by the person first signing the agreement. Fourteen days after execution are allowed for the stamping of an agreement under hand, and such post-execution stamping should always be by an impressed stamp. The following agreements are exempted from stamp duty:—

(1) Where the subject matter is of less value than £5, or is incapable of pecuniary measurement.

(2) Where the agreement has reference to the hire of any labourer, artificer, manufacturer, or menial servant.

(3) Where the agreement is one relating to the sale of any goods, wares, or merchandise.

The 17th section of the Statute of Frauds, as amended by Lord Tenterden's Act, 1828, has been repealed and replaced by the fourth section of the Sale of Goods Act, 1893. (See *Sale.*)

The contracts, which are included in section 4 of the Statute of Frauds, are neither void nor voidable, because there is no evidence in writing of their existence. They are merely unenforceable by action. A defendant in an action at law must specially plead the section in his defence, otherwise he will not be heard as to any objection he might have raised against the action being brought on the ground of the want of statutory proof of the contract.

FRAUDULENT PREFERENCE. (Fr. *Préférence frauduleuse,* Ger. *betrügerischer Vorzug,* Sp. *Preferencia fraudulenta,* It. *Preferenza fraudolente.*)

Whenever a debtor is bordering upon insolvency and endeavours to pay off some of his creditors whilst ignoring others, he is said to be making a fraudulent preference. Such a preference, if made shortly before bankruptcy proceedings, is absolutely void.

FREE ALONGSIDE SHIP. (F.A.S.) (Fr. *Franco quai*, Ger. *frei Längsseite*, Sp. *Libre al costado*, It. *Franco alla banda.*)

This is an indication that goods are sold, including free delivery alongside the ship. The cost of taking such goods on board must be borne by the purchaser.

FREE OF ALL AVERAGE. (Fr. *Franc d'avarie*, Ger. *frei von Havarie*, Sp. *Libre de averia*, It. *Franco da ogni avaria.*)

This signifies that claims for general and particular average cannot be recovered under an insurance policy containing this clause. Such a policy insures against total loss only.

FREE OF CAPTURE AND SEIZURE. (Fr. *Franc de prise et saisie*, Ger. *frei von Wegnahme und Beschlagnahme*, Sp. *Libre de presa y embargo*, It. *Esente di cattura e staggimento.*)

When this clause is inserted in a policy of marine insurance, which generally happens in war, it means that the underwriters refuse to take responsibility for loss occasioned by the capture or seizure of the ship or goods insured.

FREE OF PARTICULAR AVERAGE. (F.P.A.) (Fr. *Franc d'avarie partielle*, or *particulière*, Ger. *frei von Beschädigung*, Sp. *Libre de avaría particular*, It. *Franco d'avaria speciale.*)

When this clause is inserted in a marine policy of insurance, the underwriters only insure the goods concerned against damage or partial loss in case the ship, craft, or any conveyance, or the interest insured, is stranded, sunk, burned, on fire, or in collision. They are not responsible for goods rendered worthless by any ordinary perils of the sea. Goods so insured are said to be free of particular average.

FREE ON BOARD. (F.O.B.) (Fr. *Franco à bord*, Ger. *frei an Bord*, Sp. *Franco á bordo*, It. *Franco a bordo.*)

This signifies that the vendor of the goods puts them on board ship free of all charges to the purchaser.

FREE ON BOARD AND TRIMMED. (Fr. *Franco à bord et d'arrimage*, Ger. *frei an Bord und gestaut*, Sp. *Franco á bordo y estivado*, It. *Franco a bordo e stivato.*)

In the coal trade, sales of bunker coal are usually made "F.O.B. and Trimmed," which means that the coal shall be properly stowed after being put on board.

FREE OVERSIDE. (Fr. *Franco hors du navire*, Ger. *frei ab Schiff*, Sp. *Franco fuera del buque*, It. *Franco fuori della nave.*)

This term is used when goods are sold, and the responsibility of the seller ceases as soon as the goods leave the slings overside the ship, and the buyer must provide his own barge in which to receive them.

FREE PORT. (Fr. *Port franc*, Ger. *Freihafen*, Sp. *Puerto franco*, It. *Porto franco.*)

A free port is one where no export or import duties are levied.

FREE TRADE. (Fr. *Libre commerce*, *libre échange*, Ger. *Freihandel*, Sp. *Libre cambio*, It. *Commercio libero*, *libero scambio.*)

Free trade really means trade which is carried on without restriction or interference. It refers, more particularly, to the admission of goods into a country without the payment of any customs duties.

No country is absolutely free trading, for where the restrictions are of the slightest, as in the United Kingdom, a large revenue is raised by means of duties levied upon what are generally considered articles of luxury. But it has been the deliberate policy of this country, for more than half a century, to admit raw goods for manufacture without the slightest restriction, and also food-stuffs to meet the demands of the growing population.

The opponents of free trade are called protectionists, and they advocate the imposition of duties for the sake of fostering home industries. Another class of opponents are known as fair traders, who desire to establish a system of reciprocity, that is, to treat foreign countries on the same footing as they treat the importers of goods into their countries.

FREEHOLD PROPERTY. (Fr. *Propriété foncière libre*, Ger. *Freigut*, Sp. *Feudo franco*, It. *Proprietà fondiaria.*)

This is an estate which is held direct from the Crown, and for which no services are due to any feudal lord. In theory there is no such thing as absolute ownership of land, and no person can hold more than an estate in the same, whether it is in fee simple, fee tail, or for life. Each of these is a freehold, though the term has become generally

applicable, in everyday language, to estates which are held in fee simple, that is, to those which are, as nearly as land can be, the absolute property of the holder, and of which he can dispose to any person he chooses.

FREIGHT. (Fr. *Fret*, Ger. *Fracht*, Sp. *Flete*, It. *Nolo, spese di nolo.*)

Freight is the money paid for the carriage of goods by sea, or the price paid by a merchant for the use of a ship to transport goods. The amount is generally fixed by the charter-party or the bill of lading, but where there is no formal agreement it is regulated by the custom or usage of trade. In the absence of any stipulation to the contrary, freight is only payable on the delivery of the goods at the place of destination; but it is the general practice to provide otherwise by the bill of lading, and to make the freight payable in any event, and before the delivery of the cargo. This freight is then known as "advance freight." but it is always upon the special terms of the contract that a decision must be arrived at as to whether freight is or is not advance freight. A shipowner or a shipper of goods has therefore what is known as an insurable interest in the freight, and may protect himself against any loss by adding the amount of the freight to the value of the goods. A shipowner has a lien upon the goods for the freight dues, unless it is expressly or impliedly waived.

The word "freight" is often used as synonymous with cargo.

FREIGHT FORWARD. (Fr. *Frais sous remboursement*, Ger. *Fracht gegen Nachnahme*, Sp. *Contra reembolso del flete*, It. *Contro rimborso del nolo.*)

This term is used to indicate freight which is payable at the port of destination.

FREIGHT NOTE. (Fr. *Note de fret*, Ger. *Frachtliste*, Sp. *Nota de flete*, It. *Nota di nolo.*)

This is a statement sent out by a shipbroker to his customers, the shippers, showing the sums due for freight upon goods which have been shipped.

FREIGHT RELEASE. (Fr. *Délivrance contre paiement du fret*, Ger. *Freigabe*, Sp. *Autorización de descarga*, It. *Mandato di scarico, consigna contro pagamento del nolo.*)

This term means the official document given by shipbrokers, or an indorsement by them on a bill of lading, authorising the officer in charge of the ship to give up possession of the goods, the freight upon them having been paid. A freight release is used when goods have been shipped "freight forward" from the other side.

FREIGHTER. (Fr. *Affréteur*, Ger. *Befrachter*, Sp. *Fletador*, It. *Noleggiatore.*)

This is the name which is very often applied to the charterer of a vessel.

FUNDED OR PERMANENT DEBT. (Fr. *Consolidés*, Ger. *fundierte Schuld*, Sp. *Consolidados*, It. *Debito pubblico perpetuo o consolidato.*)

This is the debt owing by the Government, which it is under no obligation to pay at any fixed time. It is represented by consols, and the debts due to the Banks of England and Ireland.

FUNDS. This word is used with various meanings.

1. (Fr. *Capital*, Ger. *Kapital*, Sp. *Capital*. It. *Capitale.*)

Stock or capital.

2. (Fr. *Fonds*, Ger. *Fonds*, Sp. *Fondos*, It. *Fondi di riserva.*)

Money, the income of which is set apart for some permanent object.

3. (Fr. *Fonds publics*, Ger. *Staatspapiere*, Sp. *Fondos públicos*, It. *Fondi pubblici, cartelle.*)

Debts due by a government and on which interest is paid.

4. (Fr. *Fonds publics*, Ger. *Staatspapiere*, Sp. *Caudal*, It. *Fondi pubblici, cartelle.*)

Government stock and public securities.

FURLONG. (Fr. *Furlong, huitième d'un mille*, 201 *mètres*, Ger. *Furlong*, Sp. *Furlong, estadio, medida*, It. *Stadio, metri* 201.)

This is an English measure of length, the eighth part of a mile, or 220 yards.

FUTURES. (Fr. *Livraisons à terme*, Ger. *Termingeschäfte*, Sp. *Para llegar*, It. *Consegne a termine.*)

These are goods for shipment at some future time. The term is generally used with reference to foreign produce to be shipped. Importers, merchants, and others speculate in futures of corn, cotton, hops, tallow, etc., in the same way that speculators on the Stock Exchange operate for the account.

GALLON. (Fr. *Gallon*, 4½ *litres*, Ger. *Gallone*, 4½ *Liter*, Sp. *Galón*, 4½ *litros*, It. *Litri* 4½.)

This measure of capacity, for dry and liquid articles, contains exactly four quarts. The imperial gallon contains 10 lbs. avoirdupois weight of distilled water, weighed in air at the temperature of 60° Fahrenheit, the

barometer standing at 30 ins. The imperial gallon measures 277·274 cubic inches.

The American gallon is equal to 231 cubic inches, and the litre to 0·22 gallon.

GARBLING COIN. (Fr. *Trier des pièces de monnaie*, Ger. *Münzen aussuchen*, Sp. *Apartar moneda*, It. *Scegliere monete, scartare monete.*)

This term refers to the practice of money dealers in picking out new full-weighted coins from those which pass through their hands, for the purpose of exporting them, or melting them down, and retaining the lighter ones for circulation and the payment of trade debts at home. Garbling was formerly used to signify the process of sorting or picking out the worst of anything.

GARNISHEE. (Fr. *Tiers saisi*, Ger. *Sequester*, Sp. *Secuestro*, It. *Sequestratario.*)

This is a person in whose hands property belonging to another person is attached by an order of a court of justice. The order warns the person upon whom it is served not to pay the debt which he owes to his creditor.

GARNISHEE ORDER. (Fr. *Mandat de saisie-arrêt*, Ger. *Sequestrationsbefehl*, Sp. *Orden de secuestro*, It. *Mandato di sequestro.*)

A garnishee order is a notice sent to persons who owe judgment debtors money, or who hold goods belonging to them, warning them not to part with such money or goods. The object of these orders is to prevent the debtor applying such property to his own use instead of paying his creditors.

A garnishee order is obtained upon an application to the court or a judge, *ex parte*, by any person who has obtained a judgment or order for the recovery or payment of money, either before or after any oral examination of the debtor liable upon the judgment or order. The application must be supported by an affidavit on the part of the applicant or of his solicitor stating—

(*a*) That judgment has been recovered, or the order made;

(*b*) That the judgment is still unsatisfied;

(*c*) The amount of the judgment;

(*d*) The name and address of the third person (called the garnishee) from whom money is due to the debtor;

(*e*) That the garnishee is within the jurisdiction.

After the order has been served upon the garnishee, he must, unless he is able to prove that there is no debt owing by him to the judgment debtor, pay the money into court, or execution will be levied against him for the amount. Payment made by or execution levied upon the garnishee under any proceedings of this kind is a valid discharge to him as against the debtor, liable under a judgment or order, to the amount paid or levied, even though the proceedings are subsequently set aside, or the judgment or order reversed.

A garnishee order is not valid against the trustee in bankruptcy of the judgment debtor, unless completed by receipt of the debt before the date of the receiving order and notice of the presentation of a bankruptcy petition by or against the debtor, or the commission of an available act of bankruptcy by him.

The following are not available for attachment:—

(1) Unliquidated damages due to a judgment debtor.

(2) Money due to a shareholder in the voluntary winding-up of a limited liability company.

(3) Purchase money payable upon the completion of a sale of real property.

(4) Wages due to a seaman, servant, labourer, or workman.

(5) Future income of a tenant for life.

(6) Salary accruing but not actually due.

(7) The pay or pension of an officer.

GARNISHMENT. (Fr. *Saisie-arrêt*, Ger. *Sequestration*, Sp. *Secuestración*, It. *Sequestro, citazione.*)

This is the notice issued to a garnishee, warning him not to part with money or goods in his possession pending the settlement of a claim against the owner

GAUGE (Noun). This word is used in two senses:—

1. (Fr. *Jauge*, Ger. *Messstab*, Sp. *Aforo*, It. *Staza.*)

A measuring rod for ascertaining the contents of casks.

2. (Fr. *Mesure*, Ger. *Mass*, Sp. *Medida*, It. *Misura, scandaglio.*)

A standard of measure.

GAUGE (Verb). (Fr. *Jauger, mesurer*, Ger. *aichen, messen*, Sp. *Aforar, medir*, It. *Misurare, scandagliare.*)

To gauge is to ascertain the contents of casks, that is, the number of gallons contained in them, by means of a gauge or gauging-rod.

GAUGER. (Fr. *Jaugeur*, Ger. *Ausmesser*, Sp. *Aforador*, It. *Misuratore, stazatore.*)

This is the officer of Customs or Inland Revenue, whose business it is to ascertain the contents of casks.

GAUGING ROD. (Fr. *Jauge*, Ger. *Messstab*, Sp. *Manómetro*, It. *Manometro, scandaglio, canna da misurare.*)

This is the instrument which is used for gauging or measuring the contents of casks, etc.

GAZETTE. (Fr. *Gazette*, Ger. *offizielle Zeitung*, Sp. *Gaceta*, It. *Gazzetta.*)

This gazette is the official periodical published by the authority of the Government. In England it is published every Tuesday and Friday.

The production of a copy of the *Gazette* is generally accepted as evidence of any notice or order contained in it. Great care is taken as to the insertion of notices, and all those which do not come direct from Government offices must be duly authenticated. The signature of a solicitor is in most cases sufficient, but if this cannot be obtained any advertisement or notice must be accompanied by a declaration.

In addition to the official notices of the Government, all the principal steps taken in bankruptcy and winding-up proceedings must be advertised, as well as notices of changes of partnerships, and those calling upon creditors and others to come in and prove their claims in the administration of estates.

GENERAL ACCEPTANCE. (Fr. *Acceptation générale*, Ger. *reines Accept*, Sp. *Aceptación géneral*, It. *Accettazione pura e semplice, accettazione non limitata.*)

This kind of acceptance, which is often called a clean acceptance, is one having merely the signature of the drawee (who thus becomes the acceptor) and the name of the place of payment.

GENERAL AVERAGE. (See *Average, General.*)

GILL. (Fr. *Gill, quart de pinte anglaise*, Ger. *Gill, die Viertelpinte*, Sp. *Cuarta parte de pinta*, It. *Gill.*)

This is a measure of capacity, holding the thirty-second portion of a gallon, or the fourth part of a pint. It is nearly equal to 14·2 centilitres.

GILT-EDGED SECURITIES. (Fr. *Papier doré sur tranche*, Ger. *Papiere erster Qualität*, Sp. *Seguridades de gran valor*, It. *Garanzie di primo ordine.*)

Securities which are considered to be absolutely safe and assured are so designated.

GIVE ON. (Fr. *Faire le report*, Ger. *in Prolongation geben*, Sp. *Pagar la prolongación*, It. *Pagare il riporto.*)

This is the same thing as to pay contango.

GLUT. (Fr. *Surabondance*, Ger. *Uberfüllung*, Sp. *Exceso*, It. *Eccesso, sovrabbondanza.*)

A glut of any commodity in the market occurs when the supply is greatly in excess of the demand.

GODOWN. (Fr. *Comptoir*, Ger. *Gewölbe, Magazin*, Sp. *Almacén*, It. *Magazzino.*)

This is the name given to a warehouse in the East, where imported goods are stored until they are required for use.

GOLD AND SILVER. (Fr. *Or et argent*, Ger. *Gold und Silber*, Sp. *Oro y plata*, It. *Oro e argento.*)

Articles manufactured of gold and silver must be taken by the makers to be stamped at the Assay Office in one of the places named below, and if found to be of the legal quality each article is stamped with four marks, as follows:—

(*a*) The Hall Mark. This is for Birmingham, an anchor; for Chester, three wheat sheaves, or a dagger; for Dublin, a harp, or the figure of Hibernia; for Edinburgh, a thistle, or a castle and lion; for Exeter, a castle with two wings; for Glasgow, a tree and a salmon with a ring in its mouth; for London, a leopard's head; for Newcastle-on-Tyne, three castles; for Sheffield, a crown; for York, five lions and a cross.

(*b*) The Standard Mark. This shows the fineness, and is represented for England by a lion passant; for Edinburgh, by a thistle; for Glasgow, a lion rampant; for Ireland, a harp crowned. The gold must be of 22 carats, and silver of 11 ozs. 2 dwts. fine. In gold of 18 carats fine, a crown and the figures 18 are used.

(*c*) The Mark. This consists of the maker's initials.

(*d*) The Date Mark. A letter of the alphabet in a shield, the letter itself being periodically changed.

GOLD BONDS. (Fr. *Obligations payables en or*, Ger. *Goldobligationen*, Sp. *Obligaciones pagaderas en oro*, It. *Obbligazioni pagabili in oro.*)

Gold bonds are bonds which are payable in gold coin, either in New York, or at a fixed rate of exchange in London. They are issued by the various American railroad companies.

GOLD PREMIUM. (Fr. *Agio sur l'or, prime sur l'or*, Ger. *Goldprämie, Goldagio*, Sp. *Agio del oro, premio del oro*, It. *Agio sull' oro, premio sull' oro.*)

When a paper currency is worth less than its face value in gold, gold is said to be at a premium, and the difference is known as the "gold premium."

GOOD MERCHANTABLE QUALITY AND CONDITION. (Fr. *Marchandises de bonne qualité vendable*, Ger. *Waren guter Qualitat und Beschaffenheit*, Sp. *Mercancias de buena calidad y acondiciónadas*, It. *Merci de qualità e condizioni vendibili facilmente.*)

This phrase is commonly used in making contracts. It means that the goods supplied must be up to the ordinary standard of quality, and in their customary sound state.

GOODS. (Fr. *Marchandises*, Ger. *Waren*, Sp. *Géneros, mercancías*, It. *Merci, mercanzie.*)

This is the collective term used to denote all kinds of merchandise.

GOODWILL. (Fr. *Clientèle*, Ger. *Kundschaft*, Sp. *Clientela*, It. *Diritto di rilevare un negozio o commercio avviato e con clientela.*)

This term, although an exceedingly familiar one, is not easy to define. In one sense it means every practical advantage that has been acquired by an established firm in carrying on a business under a particular name and style. Lord Eldon described it as "nothing more than the probability that the old customers will resort to the old place."

Lord Lindley says: "The term 'goodwill' can hardly be said to have any precise signification. It is generally used to denote the benefit arising from connection and reputation, and its value is what can be got for the chance of being able to keep that connection and improve it. Upon the sale of an established business its goodwill has a marketable value, whether the business is that of a professional man or of any other person. But it is plain that goodwill has no meaning except in connection with a continuing business; and the value of the goodwill of any business to a purchaser depends, in some cases entirely, and in all very much, on the absence of competition on the part of those by whom the business has been previously carried on."

A writer on Commercial Law has summarised the various definitions thus:—

"All that can be gathered from the various definitions is that where the locality of the business premises makes the trade, goodwill represents the advantage derived from the chance that customers will frequent the premises in which the business has been carried on; that where the business is one which depends upon the reputation of a firm, the goodwill consists of the advantage which the owner derives from being allowed to represent himself as such; that where the business is due to the individuality of the owner, and where its reputation cannot be separated from his, the goodwill is all but non-existent; and that where the value of the business depends upon the business connection, the goodwill consists of the right to be properly introduced to those connections."

The goodwill of a business is frequently its most valuable asset, and there is a legal right or interest in it, an incorporeal right, which is most jealously guarded. On a conveyance or an agreement for the sale of the goodwill of a business an *ad valorem* stamp duty is levied. What is the value of the goodwill of a business must depend entirely upon circumstances.

When a business is sold, the goodwill passes to the transferee, and it is most important that nothing should be done by the transferor to interfere with the conduct of the business. The common method is for the transferor to enter into an agreement with the transferee not to compete with him in any similar business. If the agreement is not too wide to be enforced, according to the rules to be observed in connection with contracts in restraint of trade, a transferor will be bound by it. In the absence of any special agreement the present state of the law may be summed up as follows:—

(*a*) Only the person who acquires the goodwill is at liberty to represent himself as continuing or succeeding to the business of the vendor.

(*b*) The transferor is at liberty to set up in similar business and to enter into competition with the transferee, but he must not do so under a name which amounts to a representation that he is carrying on the old business.

(*c*) The transferor may publicly advertise his business, but he must not, either personally or by circular, solicit the customers of the old firm.

As the goodwill is a part, and often the most valuable part, of the partnership property, it should always be sold on the dissolution of a partnership, unless the parties otherwise agree as to its disposal. In the absence of any agreement as to sale, each of the members of the old firm, who continues to carry on a business of a similar nature after the dissolution of the partnership, is entitled to the benefit of the goodwill.

Compensation.—The proprietor of the

goodwill of any business is entitled to compensation if he is compelled to vacate his premises by reason of the land, etc., being taken under statutory powers, and if it is clear that the goodwill suffers any diminution in value through the removal or extinction of the business. If the parties cannot agree upon terms the matter is generally referred to arbitration.

Mr. Cripps says: " When lands are taken under compulsory powers, the goodwill is not purchased by the promoters, but remains the property of the trader, and the loss suffered by him is the diminution in its value in consequence of his compulsory ejectment from the premises he is occupying. So far from the goodwill being purchased or destroyed by the promoters, there are many cases in which the diminution in its value is hardly appreciable, although the trade premises have compulsorily been taken. If a business is of a wholesale character, or is one which consists of orders from a widely extended area, a compulsory change of trade premises would be productive of small loss. If, in addition, convenient premises can be acquired in the immediate neighbourhood of the premises taken, the loss incurred through diminution in the value of goodwill becomes merely nominal, and the owner's only claim to compensation is in respect of any reasonable expenses which the taking of equally convenient new premises has rendered necessary. On the other hand, there are cases in which the diminution in the value of a goodwill may almost equal the entire value of a goodwill. This is the case where a business is retail and local, depending on neighbouring customers, and no suitable premises can be found in the locality within which the business connection extends. When premises are taken and business is carried on at a loss, the owner may be entitled to compensation on the ground that, but for compulsory powers, he would have been entitled to remain on the premises and to carry on his business."

GOSCHENS. (Fr., Ger., Sp., and It., *Goschens.*)

This is the name given to consols after their conversion by Mr. Goschen in 1888.

GRAIN. (Fr. *Grain*, Ger. *Gran*, Sp. *Grano, grana*, It. *Misura di peso, grammi* ·06.)

The lowest standard in the systems commonly used in England and America for denoting the weights of bodies is called the grain. The origin of measures and weights in England is to be found in a grain of barley or wheat. The weight of 32 grains, well dried and taken from the middle of the ear, was called one pennyweight. The pennyweight was afterwards divided into 24 grains, and is now an artificial standard.

In a statute of Edward I, it is enacted:—

(*a*) " An English penny, now the largest coin in England, which is called a sterling, round and without clipping, shall weigh 32 grains of wheat, well dried, and gathered out of the middle of the ear;

(*b*) " And twenty of these pence, or twenty pennyweights, shall make an ounce;

(*c*) " And twelve of these ounces shall make a pound."

The grain can be taken as the common unit in comparing the system of weight known as avoirdupois, containing 437·5 grains to an ounce, or 7,000 grains to the pound, with the apothecaries' and the troy ounce of 480 grains. The principal terms of the decimal system of weights may thus be expressed in grains:—

	Grains.
1 Kilogramme	15432·3564
1 Gramme	15·4323
1 Centigramme	0·15432
1 Milligramme	0·01543

The German pound contains 7,217 grains, and the Spanish libra 7,099 grains.

GRAIN. (Fr. *Grains, céréales*, Ger. *Getreide*, Sp. *Granos, cereales*, It. *Cereali, granaglie.*)

Grain is the seed of any plant of the order *gramineae*, such as wheat, oats, barley, rye, rice, maize, etc. Commercially, these are all included in the general term *grain*. They are also known as *Cereals*, from the Latin, *cerealis*, pertaining to *Ceres*, the goddess of corn and harvest.

GRAMME. (Fr. *Gramme*, Ger. *Gramm*, Sp. *Gramo*, It. *Grammo.*)

This is the unit of weight in the metric system. It is the weight of a cubic centimetre of distilled water at its greatest density, that is, at a temperature of 4° Centigrade. It is rather less than 15½ grains, its exact value in grains being expressed decimally by 15·432349.

An English pound, avoirdupois, is equal to 453·6 grammes, a German pound to 500 grammes, and a Spanish libra to 460 grammes.

GRAVING. (Fr. *Radoub,* Ger. *Reinigen und Labsalben,* Sp. *Grabura,* It. *Raddobbare, racconciare.*)

Graving is the act of cleaning a ship's bottom.

GRAVING DOCK. (Fr. *Bassin de radoub,* Ger. *Trockendock,* Sp. *Darsena, dique seco,* It. *Arsenale, cantiere.*)

This is the name given to a dock in which ships are taken for the purpose of being graved; a dry dock.

GREAT HUNDRED. (Fr. *Cent-vingt* (120/000), Ger. *grosser Hundert* (120) Sp. *Palabra inglesa para* 120 *articulos,* It. 120).

In commercial circles this phrase is used to signify one hundred and twenty articles.

GREENBACKS. (Fr., Ger., and Sp., *Greenbacks,* It. *Greenbacks, Carta monetata degli Stati Uniti.*)

This is the familiar name by which the notes of the United States Government are known.

GROCER. (Fr. *Épicier,* Ger. *Kolonialwarenhändler,* Sp. *Lonjista, especiero,* It. *Droghiere, pizzicagnolo.*)

Originally given to a person who sold goods by the gross, or wholesale, this name is now applied to a dealer in tea, sugar, and other produce generally.

GROCERIES. (Fr. *Épiceries,* Ger. *Spezereiwaren,* Sp. *Especierías,* It. *Droghe, merci coloniali.*)

These are commodities dealt in by grocers. In America a grocer's shop or store is called a grocery.

GROSS. This word is used with two meanings:—

1. (Fr. *Grosse,* Ger. *Gros,* Sp. *Grueso,* It. *Grossa.*)

A great hundred, now taken to be twelve dozen.

2. Fr. *Brut,* Ger. *Brutto,* Sp. *Bruto,* It. *Grosslordo, in blocco, totale.*)

The full weight or quantity of any commodity without any deduction whatever.

GROSS RECEIPTS. (Fr. *Recette brute,* Ger. *Bruttoeinnahme,* Sp. *Entrada bruta,* It. *Incasso brutto, recette lorde.*)

This signifies the total receipts before any deductions whatever have been made for expenses of any kind.

GROSS VALUE. (Fr. *Valeur brute,* Ger. *Bruttowert,* Sp. *Valor bruto,* It. *Reddito imponible, valore lordo.*)

When reference is made to property, the gross value is defined to be the annual value which a tenant might reasonably be expected to pay, taking one year with another, for any hereditament, if such tenant undertook to pay all the usual tenant's rates and taxes, and if the landlord undertook to bear the costs, repairs, insurance, and other expenses, if any, necessary to maintain the hereditament in a state to command that rent.

GROSS WEIGHT. (Fr. *Poids brut,* Ger. *Bruttogewicht,* Sp. *Peso bruto,* It. *Peso lordo.*)

This means the weight of goods and the package in which they are contained. The weight of the package itself is the "tare," that of the goods only the "net weight."

GROUNDAGE. (Fr. *Droits d'ancrage,* Ger. *Tonnengeld,* Sp. *Derechos de fondeo,* It. *Tassa di ancoraggio.*)

Groundage is the tax paid by a ship for the groundage or space occupied while in port.

GROUND RENT. (Fr. *Rente foncière,* Ger. *Grundzins,* Sp. *Renta enfundadora,* It. *Rendita fondiaria.*)

This is the rent paid to a landlord for liberty to build upon his ground. The lease is granted for a fixed number of years, and on its termination the buildings which have been erected become the property of the landlord, or of his representatives.

GUARANTEE. (Fr. *Garantie, caution, aval,* Ger. *Burgschaft, Garantie, Kaution,* Sp. *Garantía, caución,* It. *Sicurtà, garanzia, cauzione.*)

The contract of suretyship, or guarantee, is one in which a person undertakes to be answerable to another for the payment of a debt or the performance of some act on the part of a third person. The third person must be legally bound to pay the debt or to perform the act, and the surety, as the person giving the undertaking is called, is only liable on the failure of the principal, the debtor, to carry out his legal obligation.

By the fourth section of the Statute of Frauds, it is necessary that a guarantee, an undertaking to answer for the "debt, default, or miscarriage" of another, should be evidenced by writing. There must be some memorandum setting out all the necessary particulars of the transaction. The existence of the written memorandum does not, of course, dispense with the necessity for a consideration. The consideration must be a valuable one, moving from the creditor, and satisfying the ordinary rules as to consideration. If the contract is under seal, there is no need for a consideration.

At one time it was necessary that the consideration should be set out in the

memorandum, but since the passing of the Mercantile Law Amendment Act, 1856, the statement of the consideration is no longer necessary in the case of guarantees provided that a consideration does in fact exist.

It is not always easy to determine whether an undertaking of this kind is a guarantee or simply an indemnity. Yet it is most important to distinguish the two, because, whereas a guarantee requires evidence in writing, an indemnity needs no such authentication. The distinction has been dealt with in two modern cases by the Court of Appeal. In the first the facts were as follows: The plaintiffs, a firm of stockbrokers, verbally agreed with the defendant to undertake the transaction of business upon the Stock Exchange, and to be answerable for customers whom the defendant should introduce, upon the terms that the defendant was to receive one-half of the commission earned upon, and to be liable to the plaintiff for one-half of the losses arising from, such transactions. Through the default of a customer the plaintiffs incurred a heavy loss, and they sought to recover one-half of the amount under the verbal agreement. It was held that the promise to be answerable for the losses was the ulterior consequence only to the agreement, the main object being to regulate the terms of the defendant's employment in respect of transactions in which he was interested, and that therefore the contract was one of indemnity and not a promise to guarantee the debt of another person. The fourth section of the Statute of Frauds, therefore, did not apply. In the second case the defendant had orally agreed with the plaintiff that if the plaintiff would accept certain bills for a firm in which the defendant's son was a partner, the defendant himself would find the funds to meet them. It was held that this understanding was a promise on the part of the defendant to be liable primarily, and that therefore it was an indemnity, needing no evidence in writing to make it enforceable by action.

A test which has been approved as one to be applied in distinguishing a guarantee from an indemnity is this: Whether the person who makes the promise is, but for the liability which attaches to him by reason of the promise, totally unconnected with the transaction, or whether he has an interest in it independently of the promise.

The distinction is clearly seen in such a case as the following. A. and B. enter a tailor's shop. A. says to the tailor: "Make B. a coat, and if he does not pay you I will." This is a guarantee, and the tailor cannot sue A. upon it, unless there is some memorandum in writing. But if A. says: "Make B. a coat, and put it down to me," here A. makes himself primarily liable, and there is no need of any writing.

It is thus clear that a contract of guarantee involves the existence of another contract, and that one of the parties to this contract, viz., the creditor, is also a party to the contract of guarantee. The principal debtor is the person liable on the first contract, and the guarantor or surety is only liable on the second.

The undertaking, to constitute a guarantee and thus fall within the statute, must be given to the creditor himself.

Before the guarantee is binding upon the guarantor it must be accepted by the person to whom it is offered. Otherwise the requirements of a simple contract are not fulfilled. Thus, in an old case, a gentleman wrote to a firm of publishers, stating his willingness to be answerable up to £50 for the cost of bringing out a certain book by another person. The publishers never replied to the letter, but brought out the book. In an action, which afterwards became necessary, it was held that the letter could not be treated as a guarantee, since the offer contained in it had never been accepted.

But if the guarantee is an acceptance, e.g., in the example just given if the publishers had written to the guarantor and the guarantee had then been sent in reply to the publishers' letter, no further communication between the parties is necessary.

A guarantor can always revoke his offer to become a surety until it has been accepted.

A guarantee, like any other agreement under hand, must be stamped with a sixpenny stamp. This must be done within fourteen days of the date of the instrument

It has been decided, in a case tried in 1900, that the contract of suretyship is not one of the class *uberrimae fidei.*

The contract itself will state the amount of the liability of the surety, and will generally further specify any conditions precedent to the creditor's suing the guarantor on default being made by the principal debtor. In the

absence of any such conditions, the creditor can sue the surety at once, even before suing the principal, and need give no notice to the surety, nor make any preliminary demand upon him.

The extent of the liability of the guarantor, in point of time, will depend upon the terms of the contract. It may extend to a single transaction, or cover transactions spread over a considerable space of time. The latter are called "continuing guarantees." Each case must be decided upon its own facts, and no general rules can be laid down. The decisions of the courts upon this subject run remarkably close, and it is very difficult to distinguish some of them.

If a surety becomes bankrupt, the creditor can prove against his estate for the amount of his guarantee.

When the surety has become absolutely liable under the guarantee, he has the following rights :—

(1) Against the principal debtor. He can recover all moneys properly paid under the guarantee, together with interest upon the same, or, if no moneys have been paid, he can take proceedings to compel the principal debtor to exonerate him from liability.

(2) Against the principal creditor. In return for discharging the debt under the guarantee, the surety has a right to be placed in the same position towards the principal debtor as the creditor is. All securities and other rights, such as judgments, must be transferred to him. This right was given to sureties by the Mercantile Law Amendment Act, 1856.

(3) Against co-sureties. When the contract of guarantee is entered into by several sureties, any one of the latter, on paying the amount fixed by the guarantee, can claim contribution from his co-sureties. And the right of contribution is not affected by the fact that the sureties are bound by different instruments. If, however, the various sureties are bound in varying amounts, they must contribute proportionally to the amount guaranteed, and not equally. In reckoning the sureties, when there are several, only those are counted who are able to pay. Thus, if there are three co-sureties, and one of them has become insolvent, the surety who has had to pay the debt can compel the remaining solvent surety to pay one-half of the sum guaranteed, if he has had to pay the whole, and not one-third only.

On the general principles of the law of contract, fraud or misrepresentation will make a guarantee absolutely void. So also will a failure of the consideration for which it is given. In such cases a surety is freed from liability.

But, in addition. there are several other ways in which a surety may be released. The most common of these is an alteration in the terms of the contract between the creditor and the debtor behind the surety's back. The law upon the subject was thus summed up by the late Lord Justice Cotton : "The true rule, in my opinion, is that if there is any agreement between the principals with reference to the contract guaranteed, the surety ought to be consulted, and that if he has not consented to the alteration, although in cases where it is without inquiry evident that the alteration is unsubstantial, or that it cannot be otherwise than beneficial to the surety, the surety may not be discharged; yet that if it is not self-evident that the alteration is unsubstantial, or one which cannot be prejudicial to the surety, the court will not in an action against the surety, go into an inquiry as to the effect of the alteration, or allow the question whether the surety is discharged or not to be determined by the finding of a jury as to the materiality of the alteration, or on the question whether it is to the prejudice of the surety, but will hold that, in such a case, the surety himself must be the sole judge whether or not he will consent to remain liable notwithstanding the alteration, and that if he has not so consented he will be discharged."

A good illustration of the way in which a material alteration will release a surety is to be found in a case decided in 1896. A joint and several bond of suretyship was executed by four persons. By the terms of the instrument the liability of two of them was limited to £25 each, and of the other two to £50 each. One of the latter, after the other three had executed the bond, executed it himself, but added the words "£25 only" to his signature. The creditor accepted the bond without objection. On the default of the principal debtor it was held, in an action brought by the creditor, that the bond had been materially altered, and that the first three sureties were discharged from all liability under it.

Again, a surety is discharged if the creditor binds himself to give time to the principal debtor. The reason for this is that the creditor has deprived the surety, for the time being, of the opportunity of considering his position and

pursuing his remedies against the debtor, remedies which may be lost if an extension of the period of liability is granted. But mere forbearance or delay in suing will not discharge a surety.

In the case of what is called a "fidelity guarantee," that is, a guarantee by which a surety is responsible for the honesty of a person employed in a particular office or vocation, the guarantee only continues, unless otherwise agreed, so long as the duties of the office or appointment remain the same. Moreover, an employer cannot claim under a guarantee if he regularly throws temptations in the way of his servant; and if he discovers that the servant has been guilty of any act of dishonesty, it is his duty to inform the surety of the fact, and the latter is then entitled to withdraw from his contract.

Unless by the terms of the contract it is otherwise agreed, a continuing guarantee is, after the death of the surety, revoked as to all future transactions by a notice given to the creditor; and if a guarantee is given for a firm, it ceases to be binding after a change has been made in the constitution of the members of the firm.

The release or satisfaction of the principal debt at once puts an end to a contract of guarantee.

A surety will be freed from all liability if the creditor fails to take proceedings against him within the time fixed by the Statute of Limitations, that is, within six years in the case of a simple contract, or within twenty years if the contract is under seal.

Closely connected with suretyship and guarantee, though belonging to the law of tort and not of contract, is the right of action for what is known as deceit. It arises when a person has made a fraudulent representation as to the credit of another, and a third party has acted upon such representation and suffered loss. To maintain such an action it is necessary for the plaintiff to prove that the false representation was fraudulently made, and that such false representation was the cause which induced him to act to his prejudice. By Lord Tenterden's Act, passed in 1828, any representation as to the "conduct, character, credit, or ability" of another must be made in writing, and signed by the person making it.

GUARANTEE FUND. (Fr. *Fonds de réserve*, Ger. *Reservefonds*, Sp. *Fondos de reserva*, It. *Fondi di riserva*.)

This is the fund set apart out of the profits of a business to meet any exceptional losses.

GUARANTEE SOCIETY. (Fr. *Société de sécurité*, Ger. *Kautionsversicherungsgesellschaft*, Sp. *Sociedad de garantia*, It. *Società di garanzia*.)

This is a society which, upon the payment of an annual premium, grants security in bonds to guarantee employers against theft or forgery, which may be made by clerks or others in positions of trust.

GUARANTEE STOCKS. (Fr. *Actions garanties*, Ger. *garantierte Aktien*, Sp. *Valores garantizados*, It. *Capitali garantiti*.)

Stocks upon which the interest, or the principal together with the interest, is guaranteed, are called guarantee stocks. Sometimes the interest is guaranteed by another company—as in the case of a railway company having running powers over another line—and when the interest cannot be paid by the company itself, it must be paid by the company which guarantees it.

GUARANTOR. (Fr. *Garant*, Ger. *Bürge*, *Garant*, Sp. *Garante*, *fiador*, It. *Garante*, *mallevadore*, *avallante*.)

This is the person who gives a guarantee.

GUILD. (Fr. *Corps de métier*, *corporation*, Ger. *Gilde*, Sp. *Gremio*, *hermandad*, It. *Maestranza*, *corporazione*.)

This is the name of a society or body of individuals associated together for promoting the interest of the particular trade or calling to which the members belong. It was not until 1835 that the law was formally abolished by which no person was permitted to exercise a trade or calling in a town unless he was a member of a guild. The word is said to be derived from the Anglo-Saxon word, *gildan*, which means, to pay.

GUILDER. (See *Florin*.)

GUINEA. (Fr. *Guinée*, Ger. *Guinee*, Sp. *Guinéa*, It. *Ghinea*.)

A guinea is the name of a gold coin formerly current in Great Britain, which was so called because it was first coined of gold brought from Guinea, in West Africa. By a proclamation of December 22, 1717, the guinea was made current at twenty-one shillings, although its true market value was fourpence less than that sum. There is now no English coin of this name, but it is customary to reckon professional fees and voluntary subscriptions in guineas, instead of pounds, shillings, and pence. Guineas have not been coined since 1817.

GULDEN. (Fr., Ger., Sp., and It., *Gulden.*)

This is another name for the Austrian florin.

H. This letter occurs in the following abbreviations:—

Hhd., Hogshead.
H.M.C., His Majesty's Customs.
H.M.S., His Majesty's Service.
H.P., Horse-Power.
H.P.N., Horse-Power Nominal.

HABERDASHER. (Fr. *Mercier,* Ger. *Kurzwarenhändler,* Sp. *Mercero,* It. *Merciaio.*)

A haberdasher is a seller of small wares, such as ribbons, tapes, etc.

HALL MARK. (Fr. *Poinçon du contrôle,* Ger. *Feingehaltsstempel,* Sp. *Marca del Gremio,* It. *Marco o bollo del registro, punzone del controllo.*)

This is the mark which is made on jewellery and plate at the Goldsmiths' Hall, or the Assay Office, to show its quality, and to indicate in addition the year of marking.

HAMMERED. (Fr. *Exécuté,* Ger. *verkracht,* Sp. *Insolvente,* It. *Expulso, interdetto.*)

A member of the Stock Exchange who is unable to meet his liabilities is said to be "hammered," because the fact of his default is publicly announced to the other members after attention has been called by striking the rostrum with three blows of a wooden hammer. The name of the defaulter is then added to the list of members who have been suspended or expelled owing to their inability to meet their liabilities. If the estate of the defaulter realises 10*s.* in the £ he may apply to be re-admitted as a member.

HANDSEL. (Fr. *Étrenne,* Ger. *Handgeld,* Sp. *Estreno,* It. *Regalo, caparra.*)

This word has the same meaning as earnest money, that is, money paid to bind a bargain.

HANSE. (Fr. *Hanséatique,* Ger. *Hansa,* Sp. *Hanséatico,* It. *Anseatica lega.*)

This word means a league. It was the name applied to certain commercial cities in north and central Europe, which leagued together for mutual defence in the thirteenth century. The last three of the Hanse Towns, as they were called, were Hamburg, Bremen, and Lübeck. They have now been incorporated with the German Empire.

HARBOUR. (Fr. *Port,* Ger. *Hafen,* Sp. *Puerto,* It. *Porto.*)

A harbour is a haven in which ships can anchor or moor. A harbour is only partly enclosed, and is so distinguished from a dock, which is wholly enclosed.

HARBOUR DUES. (Fr. *Droits de port,* Ger. *Hafengebühren,* Sp. *Derechos de puerto,* It. *Diritti del porto.*)

These are sums paid by ships for entering certain harbours, and for the use of landing-stages, etc.

HARBOUR MASTER. (Fr. *Capitaine de port,* Ger. *Hafenmeister,* Sp. *Capitán de puerto,* It. *Capitano del porto.*)

This is the public officer who has control or charge of a harbour.

HATCHWAY. (Fr. *Ecoutille,* Ger. *Luke,* Sp. *Escotilla,* It. *Boccaporto.*)

Hatchway is the name given to the opening in the decks of a ship giving access to hold.

HAULAGE. (Fr. *Halage,* Ger. *Transportkosten,* Sp. *Arrastre,* It. *Alaggio.*)

Haulage is an exclusive charge made by railway, dock, and canal companies for the use of carriages or trucks, the use of a line of rails, or the haulage of loaded or empty trucks or wagons between respective points. It does not cover the services of loading and discharging the trucks.

HAVEN. (Fr. *Havre, port,* Ger. *Hafen,* Sp. *Abra, puerto,* It. *Rada, porto.*)

A haven is an inlet of the sea, or the mouth of a river where ships can obtain good anchorage.

HEALTH, BILL OF. (See *Bill of Health.*)

HEAVIES. (See *Heavy Stock.*)

HEAVY STOCK. (Fr. *Actions des compagnies de chemin de fer de transport,* Ger. *Eisenbahnaktien,* Sp. *Valores de companías de ferrocarriles,* It. *Azioni di ferrovie e di società trasporti.*)

This is the stock of those railways which have a heavy goods traffic.

HECTARE. (See *Metric System.*)

HERITABLE BONDS. (Fr. *Obligations héréditaires,* Ger. *erbliche Obligationen,* Sp. *Obligaciones hereditarias,* It. *Obbligazioni ereditarie.*)

These are bonds having a conveyance of land attached to them, and are given as a security for the faithful repayment of money lent or owing, the latter documents being available in the event of the bonds not being duly honoured, or the interest upon them not being paid when due.

HIGH BAILIFF. (Fr. *Grand bailli,* Ger. *Oberamtmann,* Sp. *Alguacil mayor,* It. *Usciere di campagna.*)

This is the chief officer of the county

court, appointed under the County Court Act, 1888, to attend the sittings of the court, and by himself or by the bailiffs appointed to assist him, to serve all summonses and orders, and execute all warrants, precepts, and writs of the court, with certain exceptions provided by the Act.

HIGH SEAS. (Fr. *Haute mer*, Ger. *hohes* or *offenes See*, Sp. *Alta mar*, It. *Alto mare.*)

By international law every country bordering on the sea has the exclusive sovereignty over such sea to the extent of three miles from its shores. Such portion of the ocean is known as the closed sea, or territorial waters. All beyond this is the high seas, open to all.

HINDE PALMER'S ACT, 1869. This Act abolished the priority of specialty over simple contract debts which existed previously to January 1, 1870, in the administration of the estates of deceased persons. (Specialty debts are those created by deed, whilst simple contract debts are those created by parol, that is, by any agreement, verbal or otherwise, not under seal.) Any lien, charge, or other security held by a creditor for the payment of his debt is not affected by the Act. Moreover, an executor is not able to retain his own simple contract so as to defeat specialty creditors. If there is a right of retainer the assets of the deceased's estate must first be applied rateably between the creditors by specialty and by simple contract, then the claims of the specialty creditors must be satisfied to the extent of the amount allotted to them, and it is out of the residue, namely, that to which the simple contract creditors are entitled, that the executor must first deduct any debt that is due to himself.

HIRE. (Fr. *Louage*, Ger. *Heuer, Miete*, Sp. *Alquilado*, It. *Nolo, fitto.*)

This may signify:—

(1) Wages for service.

(2) The price paid for the temporary use of anything.

HIRE-PURCHASE. (Fr. *Par acompte*, Ger. *Abzahlungsgeschaft*, Sp. *Compra á plazos*, It. *Compra a pagamento rateale.*)

This is an arrangement by which it is agreed that the property in goods is to be transferred in consideration of a certain number of periodical payments. Until the whole of the payments have been made, the property in the goods remains in the vendor or letter. But as the hirer —who is to become the eventual purchaser—gains possession of the goods, he can dispose of them and give a good title to a third person if the agreement is enforceable as a sale. To prevent such a result it is now the common practice to have the hire-purchase agreement drawn up in such a manner that the hiring may be terminated on the happening of certain events, or at the option of either party. The sale is then subject to a condition precedent, and the hirer is unable to give a title to any person who takes the goods from him, so long as the hiring agreement lasts. Each case depends upon the construction of the wording of the agreement. The cases of *Lee* v. *Butler*, 1893, 2 Q.B. 318, and *Helby* v. *Matthews*, 1895, A.C. 471, point out the distinction with the utmost clearness.

Goods let out on the hire-purchase system are not exempt from distraint for rent, if they are upon the premises at the time of the distraint. This is specially provided for by the Law of Distress Amendment Act, 1908.

If the hire-purchase agreement is one under hand alone, a stamp of 6*d.* is required; if under seal, a deed stamp of 10*s.* is necessary.

HIRER. (Fr. *Loueur*, Ger. *Mieter*, Sp. *Arrendador*, It. *Locatore.*)

This is the person who hires goods.

HITHE. (Fr. *Quai*, Ger. *Kai, Quai*, Sp. *Muelle*, It. *Molo, banchina.*)

A hithe is a small haven.

HOGSHEAD (hhd.). (Fr. *Tonneau, demi-pièce* (*anglaise*), Ger. *Oxhoft*, Sp. *Hogshead, medida inglesa equivalente á* 245 *litros*, It. *Botte della capacità di litri* 245.)

This term was formerly employed to denote a measure of capacity, but as all liquid measurements are now made in gallons, it is used to designate any large cask. The hogshead, in wine measure, contained 63 gallons, while in beer and ale measure there were only 54 gallons. In the United States it is still used as a measure for liquids, equal to 63 gallons. A hogshead of tobacco varies in different states from about 750 to 1,200 lbs. The word is supposed to mean ox-head, not hogshead.

HOLD. (Fr. *Cale*, Ger. *Schiffsraum*, Sp. *Bodega, presa*, It. *Stiva.*)

The hold is the hollow interior of a ship used for the stowage of cargo.

HOLDER. (Fr. *Porteur*, Ger. *Inhaber*, Sp. *Tenedor, portador*, It. *Possessore, detentore, portatore.*)

This is the person into whose possession a bill of exchange, note, or cheque falls. He may be a simple holder, a holder for value, or a holder in due course. The

first explains itself, and the second is satisfied if value has been given at any time. The holder in due course, by the Bills of Exchange Act, 1882, is defined as a holder who has taken a bill, complete and regular on the face of it, under the following conditions:—

(*a*) That he became the holder of it before it was overdue, and without notice that it had been previously dishonoured, if such was the fact;

(*b*) That he took the bill in good faith and for value, and that at the time the bill was negotiated to him he had no notice of any defect in the title of the person who negotiated it.

(The title of a person who negotiates a bill is defective within the meaning of the Act when he has obtained the bill, or the acceptance thereof, by fraud, duress, force and fear, or other unlawful means, or for an illegal consideration, or when he negotiates it in breach of faith, or under such circumstances as amount to a fraud.)

A holder, whether for value or not, who derives his title to a bill through a holder in due course, and who is not himself a party to any fraud or illegality affecting it, has all the rights of that holder in due course as regards the acceptor, and all parties to the bill prior to that holder.

The holder must in due course present the bill for acceptance and payment, and if the acceptance or the payment is refused he must give the requisite notice of dishonour or protest the bill, according as it is an inland or a foreign one.

His rights and powers are as follows:—

(1) He may sue on the bill in his own name.

(2) Where he is a holder in due course, he holds the bill free from any defect of title of prior parties, as well as from mere personal defences available to prior parties among themselves, and may enforce payment against all parties liable on the bill.

(3) Where his title is defective, (*a*) if he negotiates the bill to a holder in due course, that holder obtains a good and complete title to the bill; and (*b*) if he obtains payment of the bill the person who pays him in due course gets a valid discharge for the bill.

The holder can prove against the estate of any party to the bill who has become bankrupt; and if an act of bankruptcy has been committed by any party who is chargeable upon the bill, the holder can present a bankruptcy petition against him even though the bill is not yet due.

HOME CONSUMPTION. (Fr. *Consommation intérieure*, Ger. *einheimischer Verbrauch*, Sp. *Consumo del (en) pais*, It. *Consumo interno.*)

This includes:—

(1) Goods consumed in the country where they are produced.

(2) Foreign goods which have been placed in a bonded warehouse on importation, until the duty is paid, in order that they may be brought into consumption.

HOME USE ENTRY. (Fr. *Sortie de l'entrepôt pour consommation*, Ger. *Begleitzettel*, Sp. *Autorización para sacar del depósito*, It. *Permesso di dogana per ritiro dal magazzino per il consumo interno.*)

This is a Custom House document used when dutiable goods are to be removed from a warehouse for home consumption.

HONG. (Fr., Ger., Sp., and It., *Hong.*)

This name is given by the Chinese to any factory belonging to European merchants in Canton. The hong merchants were, previous to the wars with England, ten or twelve natives, who alone were legally entitled to trade with foreigners, or "the outer barbarians."

HONG NAME. (Fr. *Nom écrit en chinois*, Ger. *Hongname*, Sp. *Nombre escrito en chino*, It. *Marca in chinese.*)

This is a mark in Chinese characters used by merchants in China, so that the Chinese can ask for the hong, or manufacture, which they like.

HONORARY. (Fr. *Honoraire*, Ger. *ehren-*, *unbesoldet*, Sp. *Honorario*, It. *Onorario.*)

This signifies the holding of a title or an office without receiving any fee or salary. The payment to a barrister, and formerly to a physician, since he is supposed to give his services, and cannot sue for his fees, is called an "honorarium."

HONORARY SECRETARY. (Fr. *Secrétaire honoraire*, Ger. *Ehrensekretar*, Sp. *Secretario honorario*, It. *Segretario onorario.*)

This is any person who undertakes to perform secretarial work without any remuneration.

HONOUR. (Fr. *Honorer, faire honneur à*, Ger. *einlösen*, *honorieren*, Sp. *Honrar*, It. *Onorare, far onore.*)

In commercial circles this signifies the due meeting of some claim or obligation, as the acceptance and payment of a bill of exchange when it becomes due.

HORSE-POWER. (*Force de cheval, force de . . . chevaux*, Ger. *Pferdekraft*,

Sp. *Caballos de fuerza*, It. *Forza di . . . cavalli.*)

This is the accepted standard used for estimating the power of a steam-engine. According to the theory of Watt and Boulton, it is the force required to raise 33,000 lbs. avoirdupois through one foot in a minute. It is now generally considered that this estimate is too high.

HOUSE. (Fr. *Maison*, Ger. *Firma, Haus*, Sp. *Casa, Razón social*, It. *Casa commerciale, ragione, ditta.*)

This name is applied not only to a dwelling, but also to a firm or trading concern. It is also a term familiarly used when speaking of the Stock Exchange; and amongst bankers the clearing house is often referred to as "the house."

On any inhabited house, occupied as a farm-house, public-house, coffee-shop, shop, warehouse, or lodging-house, the following duties are payable:—

	In the £
If the annual value is £20, but does not exceed £40	2*d*.
Exceeds £40, but does not exceed £60	4*d*.
Exceeds £60	6*d*.

Other houses, not included in the list, or dwellings let as flats, pay duties of 3*d*., 6*d*., and 9*d*., respectively.

HULK. (Fr. *Carcasse*, Ger. *Schiffsrumpf*, Sp. *Casco*, It. *Ossatura di scafo, carcassa di vecchia nave, stiva.*)

A hulk is an old ship which is unfit for service and used as a store, etc.

HULL. (Fr. *Coque*, Ger. *Casco*, Sp. *Casco*, It. *Scafo.*)

This is the body of a ship, as distinguished from the masts, spars, rigging, etc.

HUNDRED-WEIGHT. (Fr. *Quintal, 50 kilogrammes*, Ger. *Centner*, Sp. *Quintal*, It. *Mezzo quintale o chilogrammi 50, quintale inglese.*)

This is one of the terms of avoirdupois weight, and generally expressed by the abbreviation cwt. A hundred-weight contains 112 lbs., and is sub-divided into four quarters, each containing 28 lbs. The French quintal is equal to 220·46 lbs., and the Zollverein centner to 110·23 lbs.

HUSBAND AND WIFE. (Fr. *Époux et épouse*, Ger. *Ehemann und Frau*, Sp. *Marido y esposa*, It. *Marito e sposa.*)

The relationship of husband and wife is considered in law as one of contract. In most respects the ordinary law of contract attaches to marriage. In one important respect, however, there is a difference. A marriage is quite legal in England, if it is solemnised, provided the husband is over fourteen years of age and the wife twelve. These are the ages of consent of the parties themselves. There may now be a valid marriage without the assent of the parents or guardians being obtained. But sometimes difficulties arise. If either of the parties, for instance, makes a false statement when certain preliminaries are required, there is the risk in some cases of a criminal prosecution. These matters, however, are outside the scope of the present article. But all this is entirely on the assumption that the domicil of the parties is English. If the domicil of either of the contracting parties is not English, the law of the domicil must prevail, and the marriage may or may not be valid.* A wife acquires the domicil of her husband as soon as she is married, just as she also acquires his nationality, and the domicil of the husband is the domicil of the wife so long as the marriage tie lasts. If the husband changes his domicil, that of the wife is changed also. This matter becomes all important in matrimonial causes. The court will not entertain jurisdiction in a divorce suit in England unless the parties are domiciled in the country, and a husband may prevent his wife from obtaining a release from the marriage tie by changing his domici before the suit is heard. But residence of the wife is enough to give the court jurisdiction in cases of judicial separation. There are still certain restrictions as to marriage where the parties are related. The table of prohibited marriages is contained in the Prayer Book; but in 1907 the formerly forbidden marriage with a deceased wife's sister was rendered legally possible by a special Act of Parliament.

The agreement of two parties to marry is a contract of betrothment. The promise of each is the consideration for the promise of the other. But though parties may marry during their minority, no action can be taken on a contract of betrothment against the party who is a minor. The minor, however, can sue if the other party to the contract is over age. Mere ratification after the attainment of twenty-one years of a promise to marry made during minority is not enough to make the contract binding. There must be a fresh promise. The promise need not be in writing, but the plaintiff's evidence must be corroborated in some material particular.

A married man may be sued on a

breach of promise to marry, if the woman was unaware of the fact that he was married at the time of making the promise, but not otherwise.

The right of action on a breach of promise does not pass to the executors or administrators of a deceased person unless it is shown that the plaintiff's estate has suffered special damage, which damage was in the contemplation of the parties when the promise was made. This is a matter of considerable complexity, and depends upon many very special circumstances.

By the common law husband and wife were considered one for almost all purposes. Subject to any settlements made, a husband was entitled on marriage to take the rents arising out of any real property held by his wife, and he became the absolute owner of any personal property which belonged to her, either at the time of or after the marriage. These rights are preserved as to those parties who were married before 1883; but a radical change has been made in the law as to those who have been married on or since the first day of that year. The Married Women's Property Act, 1882, has placed married women in a position of comparative independence so far as their property is concerned. For the purposes of contract they are no longer considered as one with their husbands. They contract entirely as to their separate estate, and they can enter into contracts with their husbands as with other persons. The effect of their contracts made since the Act of 1882, and the amending Act of 1893, is to give married women considerable advantages without any of the disadvantages which attach to other persons. Their powers as to the disposition of trust estates was put on the same footing as those of men by a special Act of 1907. The principal advantages enjoyed by married women as to contracting powers are these:—

(*a*) A married woman only contracts as to her separate estate. If she has no separate estate a creditor is helpless, unless she is in trade.

(*b*) She cannot be committed on a judgment summons for debts contracted during coverture.

(*c*) Until the Act of 1882, she could not be made a bankrupt under any circumstances, and after that date she could only be made bankrupt if she was trading separately and apart from her husband. Now, however, under the Bankruptcy Act, 1914, she is amenable to the bankruptcy law if she carries on trade, whether separately from her husband or not, in the same way as a *feme sole*.

For her own protection the property of a married woman is often so settled upon her that she can neither touch the capital, nor assign or charge the income arising from it. This is called a "restraint against anticipation." It only lasts so long as the marriage tie continues. A restraint against anticipation will not affect the rights of creditors to whom a married woman was indebted at the time of her marriage, and in certain cases the court may remove it if it is shown to be for the benefit of the married woman that this should be done. But here again the Bankruptcy Act of 1914 has stepped in. If a married woman is made a bankrupt, the court may order her separate property, or a part of it, to be taken possession of by the trustee in bankruptcy, even though there is a restraint against anticipation.

It does not necessarily follow that marriage creates a kind of agency, empowering the wife to contract in her husband's name and to bind him when she has no separate property of her own. He is only bound when he has given her authority, express or implied, to pledge his credit. The authority will generally be presumed, so far as necessaries are concerned, when the parties are living together. The wife is, in fact, considered to be the husband's domestic agent. But this presumption may be rebutted. A husband may show that his wife is well supplied with necessaries, or the money with which to purchase them; that he has forbidden her to pledge his credit; that he has forbidden the plaintiff to give her credit; or that the credit has been given to the woman herself, and not to him as principal. If the parties are living apart, the burden of proof is on the creditors to show that the husband is still liable to support his wife, which he must be if the parties have separated by mutual consent, and she is not otherwise provided for. But where the wife is living in adultery, the husband is freed from all responsibility. The question of the agency of a wife depends very largely upon the facts of the particular case. If the husband has once held her out as an agent, he will have great difficulty in displacing the presumption that she has continued to be so.

A husband is still liable to be joined as a defendant with his wife where she

has committed a tort. For example, if a wife publishes a libel or a slander, her husband may be sued for damages for the same. In criminal law, except in the gravest cases, there is a presumption that the wife acts under the compulsion of her husband, and if she is indicted with him she cannot be punished.

The husband must maintain his wife and the children of the marriage, as well as any other children which she may have had before marriage, whilst they are of tender years. If he is unable to do so, the responsibility devolves upon the wife, and any separate property she may possess can be taken to support the husband, children, and grandchildren, if necessary.

The father is generally entitled to the custody and control of his children, and to have them educated in his religion. He may forfeit his rights by misconduct. On his death the mother becomes the guardian of the children, either alone or in conjunction with any other guardian or guardians appointed by the father. This was the state of the law before the decisions under the Guardianship of Infants Act, 1886, made it a matter of pure discretion as to the line which the court will take in any particular case. Also, under this Act of 1886, a mother may nominate a guardian by will to act in conjunction with her husband.

In the absence of a will, and subject to the terms of any settlement, the rights of a husband in the property of his deceased wife are that he is absolutely entitled to the whole of her personal estate, and to a life interest in her real estate, provided, in the latter case, a child has been born capable of inheriting such real estate. Otherwise the real estate goes to the deceased wife's heirs to the complete exclusion of the husband. If the husband dies intestate, the rights of the widow vary according as there are or are not any children of the marriage. If there are no children, the widow, after the creditors have been satisfied, takes the whole of the estate, if its value does not exceed £500, and if it exceeds that sum, then she takes £500 and one-half of the residue of the personal estate. If there are children, the widow's share is one-third of the personal estate. In either case she is entitled to a life interest in one-third of the real estate left by her husband, unless this right, called "dower," has been barred.

Since the old common law unity of husband and wife has largely disappeared, a married woman can receive gifts from or make gifts to her husband just as though she was a complete stranger. By the law of England a gift is irrevocable, and consequently if a married woman holds any gifts she receives from her husband as her own separate property, though the same may be impugned on the ground of fraud if made shortly before the husband's bankruptcy, especially if they are of an extravagant nature. It has been decided, however, that if a husband makes allowances to his wife for housekeeping expenses, and no special arrangements have been made in respect of any part of the same, whatever savings she effects out of these allowances are not her property, but the property of the husband. A wife may also sue her husband in tort so far as her separate estate is concerned, but the husband has no corresponding right of action against his wife in respect of her torts against his property. By a special provision of the Married Women's Property Act, 1882, however, he can recover property of his own which his wife detains from him by means of what is known as an originating summons. Except as regards separate property, there is no right of action in tort by husband or wife against each other. Also, no criminal proceedings can be instituted by a wife against her husband whilst they are living together as to any property claimed by her. The same thing is true if they are living apart, unless the property has been wrongfully taken by the husband when he is deserting or is on the point of deserting his wife.

Any settlements made between a husband and wife as to the property of either of them may be rectified after a decree has been pronounced dissolving their marriage.

HYPOTHEC. (Fr. *Hypothèque*, Ger. *Hypothek*, Sp. *Hipoteca*, It. *Ipoteca*.)

In Scottish law this is a security in favour of a creditor over the property of his debtor while the property continues in the debtor's possession. It is further used to include what is called in English law a lien, when goods, documents, etc., are in the possession of the creditor.

HYPOTHECATE. (Fr. *Hypothéquer*, Ger. *hypothekieren*, Sp. *Hipotecar*, It. *Ipotecare*.)

This is to place or assign property as security under an agreement; to pledge or to mortgage.

HYPOTHECATION. (Fr. *Contrat hypothécaire,* Ger. *Verpfändung,* Sp. *Contrato hipotecario.* It. *Contratto ipotecario.*)

This is the act by which property is hypothecated, that is, pledged or mortgaged.

I. This letter occurs in the following abbreviations:—

Ib., Ibidem—in the same place.

Id., Idem—the same.

Inst., Instant—of the present month.

Int., Interest.

Inv., Invoice.

IMPERSONAL ACCOUNTS. (Fr. *Comptes fictifs (simulés),* Ger. *Sachkontos,* Sp. *Cuentas ficticias,* It. *Conti fittizi o simulati.*)

In book-keeping, these are the accounts which deal with things and not with persons, as charges account, cash account, goods account, etc. They are often known as nominal accounts.

IMPORT LIST. (Fr. *Liste des importations,* Ger. *Einfuhrliste,* Sp. *Lista de importaciones,* It. *Lista d'importazioni.*)

The import list is an alphabetical table of imported articles, classified and arranged for statistical purposes.

IMPORTATION. (Fr. *Importation, Entrée,* Ger. *Einfuhr, Import,* Sp. *Importación,* It. *Importazione.*)

This is the act of bringing goods into one country from another.

IMPORTERS. (Fr. *Importateurs,* Ger. *Importeure,* Sp. *Importadores,* It. *Importatori.*)

Importers are the persons who are engaged in the importation of goods.

IMPORTS. (Fr. *Importations,* Ger. *Einfuhrwaren,* Sp. *Importaciones,* It. *Importazioni, merci importate.*)

These are the goods brought from a foreign country in the way of commerce.

The United Kingdom is largely dependent upon other countries, not only for food, but for raw materials and natural products for the purpose of manufacture and re-exportation. The names, nature and the places of production of the principal animal, mineral, and vegetable articles of commerce are given under *Commercial Products.*

IMPOSTS. (Fr. *Impôts,* Ger. *Auflage, Steuern,* Sp. *Derechos de importación,* It. *Imposte, tasse.*)

Imposts are taxes, especially those levied on imports.

IN BALLAST. (Fr. *Sur lest.* Ger. *ohne Ladung,* Sp. *En lastre,* It. *In zavorra.*)

When a vessel leaves a port without cargo she is said to be in ballast, as she carries some kind of weight—gravel, sand, etc.—to give her stability.

IN BOND. (Fr. *En dépôt,* Ger. *unter Zollverschluss, in Depot,* Sp. *En depósito,* It. *In deposito.*)

Instead of paying duty at the time of importation, importers often defer it until the goods are actually required. During this period the Government stores them, and this is called keeping them in bond.

IN FORMA PAUPERIS. By certain rules of the High Court, which were first promulgated in 1914, any person who can satisfy the court that he or she is not possessed of means exceeding £50 (or in some cases £100) besides the cause of action in question, may receive legal aid free of charge for the conduct of any litigious matter, provided that the court is satisfied that there is a *primâ facie* cause of action. In London, application must be made at the Law Courts, Strand, W.C., and in the provinces at the office of the nearest District Registrar. In order to safeguard the advantages to be derived from this species of assistance, there are stringent inquiries made and many preliminaries to be observed. It is unnecessary, however, to enter into details as to the procedure. This can only be learned in its entirety when the officials have been approached with an applicant's concrete case.

INCH. (Fr. *Pouce, 2½ centimètres,* Ger. *Zoll,* Sp. *Pulgada,* It. *Pollice, metri* ·025.)

This is a linear measure, the twelfth part of a foot, and equal in length to three barleycorns.

INCOME. (Fr. *Revenu,* Ger. *Einkommen,* Sp. *Renta,* It. *Rendita, entrata.*)

Income is the gain, profit, interest, or revenue arising from a business or other source.

INCOME TAX. (Fr. *Impôt sur le revenu,* Ger. *Einkommensteuer,* Sp. *Impuesta sobre la renta,* It. *Imposta sulla rendita.*)

This is a tax in the form of a poundage levied upon incomes arising from property, professions, trades, offices, etc. It was first imposed, in its modern form, in 1799. It was looked upon as essentially a war tax, and between 1816 and 1842 it was abolished with the exception of a single year. In the last named year it was revived, and although various propositions have been made for its discontinuance, notably on the dissolution of Parliament in 1874, it was declared in 1907 to be a permanent tax. After the outbreak of the Great War in 1914 it gradually rose to unimagined

heights, and it is impossible to estimate what its rate will be even for a year. For this reason it would be useless to give figures which might be out of date almost immediately. Let it suffice to say that incomes are taxed on a graduated scale, that a distinction is made between earned and unearned incomes, and that abatements are allowed in certain cases in respect of wives and of children under sixteen and in respect of incomes below £700. At present incomes under £120 are not taxed.

The Act at present in force is the Income Tax Act, 1918.

Income tax is payable by persons who are domiciled in the United Kingdom upon incomes derived from sources outside the United Kingdom, whether received in the United Kingdom or not.

In certain cases, particulars of which can be obtained from the Inland Revenue Authorities, the income tax may be paid by instalments.

For purposes of convenience taxable incomes are divided into five schedules:—

Schedule A.—Incomes from property in lands and buildings.

Schedule B.—Incomes from the occupation of certain lands.

Schedule C.—Incomes by way of interest and dividends arising out of the public funds.

Schedule D.—Incomes by way of profits from professions, trades, or other callings.

Schedule E.—Incomes by way of annuities, salaries, etc., payable out of the revenue or the funds of public companies.

The tax under Schedule A is payable by the owner of the property, and is based upon the assessment of the annual value of the lands. Relief is given in certain cases in respect of this schedule, the particulars of which are supplied by the commissioners.

Under Schedule B the tax is payable in respect of the occupation of farms, etc., and is calculated on one-third of the annual value.

Under Schedule D a return must be made annually by traders and others showing their profits:—

(1) Upon the annual average of the three preceding years, either ending on April 5 preceding the date of the return, or the date immediately preceding such April 5 to which the accounts of the trade, etc., have been made up.

(2) If the trade, etc., has been set up or commenced within three years, upon the annual average from the date of the commencement of the same.

(3) If the trade, etc., has been commenced within a year of assessment, the profits are to be estimated in accordance with the knowledge and belief of the person making the return, in which case the grounds upon which the amount has been estimated must be stated.

The forms which are annually supplied by the income tax collectors give every possible particular as to the incidence and the rate of the tax.

INCONVERTIBLE PAPER CURRENCY. (Fr. *Papier-monnaie inconvertible*, Ger. *nicht konvertierbares Papiergeld*, Sp. *Papel moneda inconvertible*, It. *Carta monetata inconvertibile.*)

This is paper money which cannot be converted into cash at its face value on demand, but which must be accepted as representing the value printed upon it.

When paper money is inconvertible it usually falls in value, since it is uncertain whether the obligation of the issuer will be carried out. In reality the paper is at a discount, though it is often said under such circumstances that gold and silver are at a premium.

INDEMNITY. (Fr. *Indemnité*, Ger. *Entschädigung*, Sp. *Indemnidad*, It. *Indennita, indennizzo.*)

An indemnity is compensation for loss or injury. Contracts of fire, marine, and accident insurance are examples of contracts of indemnity. An indemnity must be carefully distinguished from a guarantee, on account of the different legal requirements of the two. (See *Guarantee.*)

INDENT. (Fr. *Commande*, Ger. *Auftrag*, Sp. *Orden por contrato*, It. *Ordinazione, contratto.*)

This is the commercial name given to an order for goods from an agent or correspondent abroad, with full particulars and conditions as to price, etc. These orders were formerly written on forms torn in a zigzag fashion from a counterfoil, the idea being to detect forgery or fraud. Hence the name, which is derived from the same origin as the more familiar term "indenture." Owing to the spread of telegraphic communication, and the rapid diffusion of information as to prices, etc., indents do not now differ much from ordinary orders for goods.

INDENTURES. (Fr. *Contrats, engagements*, Ger. *Kontrakte*, Sp. *Contratos, carta partida*, It. *Contratti, impegni.*)

Indentures are written agreements or contracts between two or more parties. These were originally written in as many parts as there were parties, and the

edges were indented so as to correspond with and to fit into each other.

INDEX. (Fr. *Table des matières, index,* Ger. *Inhaltsverzeichnis,* Sp. *Indice,* It. *Indice.*)

This is the name given to a table of the subjects contained in a book arranged in alphabetical order.

INDIRECT EXCHANGE. (Fr. *Change indirect,* Ger. *indirekter Kurs,* Sp. *Cambio indirecto,* It. *Cambio indiretto.*)

When exchange operations are carried out through the medium of a third nation and not directly between two countries, the exchange is called indirect. (See *Direct Exchange.*)

INDIRECT TAXES. (Fr. *Contributions indirectes,* Ger. *indirekte Steuern,* Sp. *Contribuciones indirectas,* It. *Tasse indirette, imposte indirette.*)

These are the taxes which are levied upon goods, either customs or excise, and which reach the government in a manner other than that of direct payment. (See *Direct Taxes.*)

INDORSE. (Fr. *Endosser,* Ger. *girieren, indossieren,* Sp. *Endosar,* It. *Girare, eseguir la girata.*)

This means to write on the back of any legal or commercial document, thereby assigning or giving one's sanction to the paper.

It has been held that a signature on the face of a bill, purporting to be of the same effect as an indorsement, is a valid indorsement.

INDORSEE. (Fr. *Porteur,* Ger. *Indossat,* Sp. *Portador,* It. *Giratario.*)

This is the person to whom a bill of exchange, a bill of lading, etc., is assigned by way of indorsement, giving that person a right to sue thereon.

INDORSEMENT. (Fr. *Endos,* Ger. *Indossament,* Sp. *Endoso,* It. *Girata.*)

This word is used to signify—

(1) The act of indorsing, or writing on the back of a bill or other commercial document in order to transfer it.

(2) That which is written upon the back of a bill or other commercial document.

If the document is a negotiable instrument, the indorsement coupled with the delivery of the same, transfers the property in it to the indorsee. If it is not a negotiable instrument the indorsee obtains no better title to it than the transferor had.

An indorsement of a bill of exchange, including a promissory note or cheque, in order to operate as a negotiation must comply with the following conditions:—

(1) It must be written on the bill itself, or upon an allonge or a copy thereof (in a country where copies are recognised), and be signed by the indorser. The simple signature, without any additional words, is sufficient.

(2) It must be an indorsement of the entire bill. A partial indorsement, i.e., an indorsement which purports to transfer to the indorsee a part only of the amount payable, or which purports to transfer the bill to two or more indorsees severally, does not operate as a negotiation of the bill. But although a partial indorsement, which purports to split the right of action on a bill, is invalid as a negotiation, it may operate as an authority to receive payment of the amount thereby specified.

(3) Where a bill is payable to the order of two or more payees or indorsees who are not partners, all must indorse, unless the one indorsing has authority to indorse for the others.

(4) Where, in a bill payable to order, the payee or indorsee is wrongly designated, or his name is mis-spelt, he may indorse the bill as therein described, adding, if he thinks fit, his proper signature.

(5) Where there are two or more indorsements on a bill, each indorsement is deemed to have been made in the order in which it appears on the bill, until the contrary is proved.

The indorsement should always correspond with the name of the person as entered on the face of the document. Thus, if a bill or cheque is made payable to Thomas Smith, the proper indorsement should be Thomas Smith and not T. Smith, although it must be admitted that the latter is generally accepted. Such entries as Mr., Mrs. or Esquire, should be ignored. If the name is wrongly entered on the bill, it is pointed out in (4) above how indorsement should be made. If a bill, cheque, or promissory note is made payable to Mrs. Smith, Mrs. Smith should omit the "Mrs." and prefix her surname Smith with her correct Christian name. If again, the maiden name of a lady is used, she ought to indorse in her correct name and add her former maiden name thus, "Edith Jones, *née* Smith."

An indorsement may be made in blank or special, or it may contain terms making it restrictive, qualified, or conditional.

A "blank" indorsement is one which specifies no indorsee, and a bill so indorsed, becomes payable to bearer.

When a bill has been indorsed in blank, any holder may convert the blank indorsement into a special indorsement by writing above the indorser's signature a direction to pay the bill to or to the order of himself or some other person.

A "special" indorsement specifies the person to whom, or to whose order, the bill is to be payable. A bill so indorsed can only be negotiated by that person's indorsement. If a special indorsement follows an indorsement in blank, the special indorsement controls the effect of the blank one.

A "restrictive" indorsement is one which prohibits the further negotiation of the bill or which expresses that it is a mere authority to deal with the bill as thereby directed, and not as a transfer of the ownership thereof, e.g., "Pay D. only," or "Pay D. for the account of X.," or "Pay D. or order for collection." Such an indorsement gives the indorsee a right to receive payment of the bill and to sue any party thereto, provided the indorser could have sued him, but it confers no power to transfer his rights as indorsee unless he is expressly authorised to do so. If the restrictive indorsement authorises a further transfer, all subsequent indorsees take the bill with the same rights and subject to the same liabilities as the first indorsee under the restrictive indorsement.

A "qualified indorsement" expressly negatives or limits the personal liability of the indorser. A common indorsement of this kind is one to which the words "*sans recours*" are added.

A "conditional indorsement" is one which purports to transfer the bill subject to some condition. The condition may be disregarded by the payer, and payment to the indorsee is valid, whether the condition has been fulfilled or not. This does not, however, affect the position of the indorser and indorsee in respect of the condition between themselves.

The transfer of a bill payable to order by a holder, without indorsing it, only gives to the transferee such rights as were possessed by the transferor. The court may compel a transferor to indorse a bill if he improperly refuses to do so.

A forged or unauthorised indorsement is wholly inoperative, and no holder of a bill can acquire any right through the same. An unauthorised indorsement not amounting to a forgery may be ratified. A banker is liable for paying a bill under a forged indorsement unless the bill is one drawn on himself payable on demand, that is, a cheque, or the payee is a fictitious or non-existent person, or the person against whom it is sought to enforce payment is precluded by his own conduct or otherwise from setting up the forgery.

The indorsement of a bill by a party who has no capacity to incur a liability on it, e.g., an infant or a corporation, does not invalidate the instrument. All other parties thereto remain liable.

Indorsements on a bill may be struck out at any time by a holder. The striking out, if done intentionally, discharges that indorser, and all indorsers subsequent to him, from their liabilities on the instrument.

INDORSER. (Fr. *Endosseur*, Ger. *Indossant*, Sp. *Endosante*, It. *Girante*.)

This is the person by whom a bill of exchange, a cheque, a bill of lading, etc., is indorsed. To complete the contract delivery of the instrument is essential.

The indorser of a bill of exchange by indorsing it engages that on due presentment it shall be accepted and paid according to its tenor, and that if it is dishonoured he will compensate the holder or a subsequent indorser who is compelled to pay it, provided that the requisite proceedings on dishonour are duly taken. He is precluded from denying—

(*a*) To a holder in due course the genuineness and regularity in all respects of the drawer's signature and all previous indorsements.

(*b*) To his immediate or a subsequent indorsee that the bill was at the time of his indorsement a valid and subsisting bill, and that he had then a good title to it.

An indorser may qualify his liability in several ways. (See *Indorsement*.)

INFANT. (Fr. *Mineur*, Ger. *der* or *die Unmündige*, Sp. *Menor*, It. *Minorenne*.)

A person who, by reason of his age, has but a limited legal capacity, is known in law as an infant. By English law the age of majority is fixed at twenty-one, and all persons who are below that age are called infants or minors. Since the law takes no notice of a portion of a day, an infant legally completes his twenty-first year at the commencement of the day preceding his twenty-first birthday. For many purposes, in connection with the law of real property, an infant is legally supposed to be born at the moment of conception.

An infant below the age of seven is not criminally responsible. Between seven and fourteen he cannot be

convicted of certain offences. After fourteen he is no more exempt than an adult.

Infancy is no defence to an action founded in tort—that is a wrong committed independently of contract.

A father is bound to support his infant children if he is able to do so, and the same is true of the mother, if she is of ability. But there is no legal obligation on either to pay a debt incurred by the infant, unless responsibility has been assumed or authority given, even though the debt has been incurred for necessaries.

It is the right of the father to have the custody of his infant children, and to have them educated in his own religion. But since the welfare of the children is the paramount consideration, the court may in certain cases, where the conduct of the father is shown to be such that he is an unfit person to have charge of his children, refuse to allow him either of these rights. On the death of the father, the mother is the legal guardian, and is entitled to the custody of her infant children. She can act either alone, or in conjunction with any other guardian or guardians appointed by her husband. A mother can also appoint a guardian for her infant children to act in conjunction with the father. If the father and mother are divorced, or judicially separated, it is the ordinary practice to give the custody of the infant children to the innocent party, subject to such conditions of access as seem just and expedient to the court.

The court assumes a very wide jurisdiction in the case of infants who are entitled to property on coming of age. It will empower the trustees of any settlement, where proper provision has not been made for the education, maintenance, and advancement of the infants, to do such things as may appear to be for their benefit. Extensive powers have been conferred by the Conveyancing Act, 1881, so far as the income of the settled funds is concerned; but these powers may be extended to the settled fund itself if it is shown to be for the benefit of the infants that this should be done.

The legal position of an infant as to contracts is set out under *Contract*. In other matters an infant's position is as follows:—

(1) Action. An infant plaintiff must sue by a person who is known as his "next friend," and where an infant is defendant in an action a guardian *ad litem* is appointed. A guardian *ad litem* is not responsible for costs properly incurred in a suit, but a "next friend" cannot escape in the same manner. The only exception to this rule is where an infant sues in a county court for wages due to him. He does not then require a "next friend."

(2) Administration. An infant cannot act as administrator, since he is unable to be bound by the bond which an administrator must give faithfully to administer the estate. If, therefore, the right of administration devolves upon him, the court will appoint an administrator *durante minore aetate*, to act during the infant's minority.

(3) Agency. Since an agent does not exercise his own powers, but only those delegated to him by his principal, an infant may always be appointed as agent. But he cannot act as proxy for a creditor in bankruptcy proceedings, nor for a contributory in winding-up procedure.

(4) Bankruptcy. It is doubtful whether an infant can ever be made bankrupt, even upon a judgment debt founded on a tort. If he is a member of a partnership firm, the whole of the proceedings in bankruptcy are taken without including him.

(5) Bills of Exchange. An infant cannot incur any liability upon a bill of exchange in any capacity, even though the consideration is the price of necessaries supplied to him. Similarly, if an infant signs a cheque on a date before the attainment of his majority, but post-dates it to a date after his twenty-first birthday, he is not liable upon the same.

(6) Companies. An infant may sign the memorandum of association and hold shares in a joint-stock company. He cannot, however, be sued for calls until he has attained his majority. He can avoid his liability by repudiating the shares either before he comes of age, or within a reasonable time afterwards.

(7) Executorship. An infant who is appointed executor cannot act so long as he is a minor. If there are other executors, they can act without him, so long as he is under incapacity; but if he is sole executor an administrator with the will annexed must be appointed to act during the minority, and the infant must prove the will as soon as he comes of age.

(8) Limitation of Actions. The periods of six, twelve, or twenty years do not begin to run against an infant until he has attained his majority.

(9) Partnership. An infant may be a partner, but his liability in case of bankruptcy is limited. All proceedings are taken without including him. But the whole of the partnership assets are available for the creditors, including the infant's share in the same. The creditors cannot, in case of deficiency, make any claim upon the separate estate of the infant.

(10) Will. An infant cannot make a will unless he is actually engaged in military service, or is a mariner at sea.

INGOT. (Fr. *Lingot*, Ger. *Barren*, Sp. *Barra*, It. *Verga di metallo, barra di metallo.*)

This name was formerly applied to the mould or matrix into which molten metal was poured for the sake of forming it into bars, but it is now used exclusively to denote the bars themselves. Conventionally, ingot is applicable to bars of the precious metals only, gold and silver, others being simply called bars.

INHABITED HOUSE DUTY. (See *House.*)

INJUNCTION. (Fr. *Arrêt de suspension*, Ger. *Gerichtliche Aufforderung, Verbot*, Sp. *Injunccion judicial*, It. *Ingiunzione, comando, ordine.*)

This is a form of judgment issued chiefly out of the Chancery Division of the High Court. An injunction forbids a person or persons to do certain things, and it is the relief granted to a suitor in such cases as the infringement of a patent or copyright, trespass upon land, or any other similar matter where money damages could not possibly compensate an aggrieved party for the loss which might arise or the hardship or nuisance suffered. Refusal to obey an injunction renders the person in default liable to committal for contempt of court. When the form of judgment orders a person to do a certain thing, which order must be obeyed under the same pains and penalties as an injunction, it is called one of "specific performance."

INLAND BILL. (Fr. *Lettre de change sur l'intérieur*, Ger. *inländischer Wechsel*, Sp. *Letra de cambio sobre el interior*, It. *Cambiale per l'interno.*)

An inland bill of exchange is one that is drawn and payable within the British Islands, or drawn within the British Islands upon some person resident therein. (See *Bill of Exchange.*)

INLAND MONEY ORDERS. (Fr. *Mandats sur l'intérieur*, Ger. *inländische Postanweisungen*, Sp. *Giro mutuo*, It. *Vaglia postale per l'interno.*)

Inland Money Orders are used for transmitting money from one part of the kingdom to another. They are in printed form and are filled in with particulars, so that the party to whom the money is payable may be identified at the other end.

INLAND TELEGRAMS. (Fr. *Télégrammes pour l'intérieur*, Ger. *inländische Telegramme*, Sp. *Telegramas para el interior*, It. *Telegrammi per l'interno.*)

Inland Telegrams are those which are sent and received from any part of the United Kingdom.

INNKEEPER. (Fr. *Aubergiste*, Ger. *Gastwirt*, Sp. *Posadero*, It. *Oste.*)

The keeper of a house where a traveller is furnished with everything he has occasion for while on his way.

An innkeeper is bound by the custom of the realm to receive as a guest any traveller who conducts himself properly, and is ready to pay for his accommodation, at any hour of the day or night, so long as there is room in the inn. A refusal renders him liable to an action, or he may be indicted. He is not compelled, however, to allow the traveller to remain indefinitely. As soon as the character of a traveller has been lost, the guest may be compelled to leave, on reasonable notice being given.

Whilst the relationship of innkeeper and guest remains, the liability of the former for the safe keeping of the goods of the latter is very great at common law. The innkeeper is, in fact, responsible for all losses, except those arising by the act of God or the king's enemies, unless it is clearly shown that such losses have arisen through the fault of the guest himself.

To limit this heavy liability the Innkeepers Act, 1863, was passed. Under this Act an innkeeper is never bound to pay more than £30 for losses or injuries to goods brought by a traveller to his inn except—

(1) Where the goods lost or injured are "a horse or other live animal, or any gear appertaining thereto, or any carriage."

(2) Where the goods have been stolen, lost, or injured through the wilful act, default, or neglect of the innkeeper, or of one of his servants.

(3) Where the goods have been expressly deposited with the innkeeper for safe custody. An innkeeper may require, as a condition of his liability, that the goods shall be deposited in a box or other receptacle, and fastened and sealed by the depositor.

If an innkeeper refuses to accept

goods for safe custody he is not entitled to the protection of the Act, and he is likewise outside its protection unless an exact copy of the first section of the Act, printed in plain type, is posted up in a conspicuous part of the entrance hall of the inn. With respect to horses, carriages, etc., no liability will rest upon him if the guest himself gives specific instructions as to the custody and pasturage of the same.

An innkeeper cannot detain the person of his guest in default of payment of his bill, nor seize any of the clothes which he is wearing. But he has a lien upon all goods brought by the guest to the inn, whether they belong to the guest or not. And he has also a lien upon goods hired and sent to the guest, unless the innkeeper knew that they were actually hired and were not the property of the guest. In a general way a lien does not carry with it a right of sale, but by the Innkeepers Act, 1878, authority is given to sell by public auction any goods, chattels, carriages, horses, wares, etc., deposited or left at an inn by a customer indebted to the innkeeper for the amount of his board and lodging, or for the keep and expenses of any horse or other animals. Before such sale can take place, however, the goods, etc., must have remained in the charge of the innkeeper for six weeks, and one month at least before the sale an advertisement must be inserted in one London newspaper, and in one country newspaper circulating in the district where the goods were left, giving notice of the sale.

The only duties and obligations of an innkeeper referred to in this section are those which arise out of contract. Those which have reference to the granting of licences, the conduct of an inn, and other similar matters are not treated of. The following provision, however, of the Licensing (Consolidation) Act, 1910, may be noticed. Where an innkeeper dies before the expiration of his licence, or where he is adjudged a bankrupt, the heirs, executors, administrators, or assigns in the first case, and the trustee in bankruptcy in the second, may continue the business without incurring any penalties during the period which must elapse before a transfer of the licence can be effected.

INSCRIBED STOCK. (Fr. *Actions inscrites*, Ger. *Inscriptionen*, Sp. *Valores inscritós*, It. *Capitale registrato*.)

This means stock for which no actual certificates are granted to the holders, but whose names and the amount of the stock they hold are inscribed in a register kept for the purpose, either at the Bank of England, the office of the Crown Agent for the Colonies, or some other bank where the stock was issued. Such stock can only be transferred by the holder, or his representative appointed by power of attorney, signing the register that he has assigned his right to some other person.

INSOLVENT. (Fr. *Insolvable*, Ger. *Insolvent*, *Bankrott*, Sp. *Insolvente*, It. *Insolvente*, *insolvibile*.)

A person is said to be insolvent when he is unable to pay his debts as they become due in the ordinary course, or when his liabilities exceed his available assets.

INSPECTING ORDER. (Fr. *Ordre d'inspection*, Ger. *Besichtigungsschein*, Sp. *Autorización de inspección*, It. *Ordine di ispezione*.)

This is a letter written by parties having goods for sale, which are lying at some dock or wharf, requesting the superintendent to allow the bearer to inspect the goods, and, if necessary, to take a small sample away with him. Inspecting orders are issued in cases where a sample of the goods would scarcely show what the bulk was like, or in cases where a sample would be too large to be carried about.

INSTALMENT. (Fr. *Acompte*, Ger. *Abschlagzahlung*, Sp. *Plazo*, It. *Acconto*, *rata*, *versamento parziale*.)

An instalment means one of the parts of a debt paid at a different time from any other part or the balance. The word also signifies a payment on account.

INSURABLE INTEREST. (Fr. *Intérêt d'assurance*, Ger. *versicherbares Interesse* Sp. *Interés asegurable*, It. *Interesse assicurabile*.)

No person can legally effect any insurance in this country unless he has some interest, i.e., pecuniary interest, in the thing insured. It is the possession of this interest which distinguishes a contract of insurance from one of wagering.

The statute 14 Geo. III, c. 48, was passed in 1774, to prevent a "mischievous kind of gaming," and enacted—

"(1) No insurance shall be made by any person or persons, bodies politic or corporate, on the life or lives of any person or persons, or on any other event or events whatsoever, wherein the person or persons for whose use, benefit or on whose account such policy or policies shall be made, shall have no interest,

or by way of gaming or wagering; and that every assurance made contrary to the true intent and meaning hereof shall be null and void to all intents and purposes whatsoever.

"(2) It shall not be lawful to make any policy or policies on the life or lives of any person or persons, or other event or events, without inserting in such policy or policies the person or persons, name or names interested therein, or for whose use, benefit, or on whose account such policy is so made or underwritten.

"(3) In all cases where the insured hath interest in such life or lives, event or events, no greater sum shall be recovered or received from the insurer or insurers than the amount or value of the interest of the insured in such life or lives, or other event or events."

The necessity of insurable interest in the case of marine insurance had been provided for in 1776 by the statute 19 Geo. II, c. 37.

There is nothing, however, to prevent a man effecting an insurance upon his own life. And since life insurance is not a contract of indemnity, but an agreement to pay a fixed sum upon the happening of a certain event, there is no limit to the amount for which an insurance upon one's own life can be made, if the insurance company will undertake the risk. Also, for the same reason, when an insurance is effected by one person upon the life of another, it is only necessary that the interest shall exist at the time when the policy is taken out. For example, a creditor may insure his debtor's life for the amount of his debt, and recover that amount from the insurance office at the debtor's death, even though the debt has been extinguished.

Interest means pecuniary interest. Such an interest a man has in his own life, and a creditor in the life of his debtor. A trustee may insure in respect of the interest of which he is a trustee, and a beneficiary may insure the life of his trustee. A wife has an interest in the continuance of the life of her husband, but there was no presumption of a corresponding interest on the part of the husband in the life of his wife until it was decided, in 1909, that he had such an interest. It is a question of fact whether a parent has an insurable interest in the life of a child. Reasonable funeral expenses may be insured by persons who are under a moral obligation to bury the deceased since the passing of the Assurance Companies Act, 1909.

In cases of marine insurance it may not be known at the time of effecting the insurance whether the ship insured is in existence. The words "lost or not lost" inserted in the policy make the insurance valid even though the loss occurred prior to the insurance, if unknown at the time to the insured.

The following persons have such an insurable interest as is required by law so as to enable the to effect marine insurances: -

(*a*) The shipown and the owners of the goods.

(*b*) A mortgagee of the ship.

(*c*) An insurer, to the extent of his liability.

(*d*) A person to whom freight is payable.

(*e*) The master and the seamen, to the extent of their wages.

In order to avoid heavy losses falling upon them at any one time upon the happening of one event, insurance companies very commonly re-insure when the property is of a valuable character. One office has always a sufficient insurable interest in any property which has been insured with it to re-insure in another office.

INSURANCE, OR ASSURANCE. (Fr. *Assurance*, Ger. *Versicherung* or *Assekuranz*, Sp. *Seguro*, It. *Assicurazione*.)

This is a contract whereby one person, called the "insurer" or "assurer," undertakes to indemnify another person, called the "insured" or "assured," against a loss which may arise, or to pay a sum of money to him on the happening of a specified event. The consideration is either a single or a periodical payment, and is called the "premium." In the case of marine insurance the name of "underwriter" is more commonly used than "insurer" or "assurer." The document in which the contract of insurance is contained is termed the "policy of insurance."

The forms of this contract have become very varied, and it is now possible to insure against almost any conceivable risk. Many insurance offices combine various kinds of insurance. The principal, however, are Accident, Fire, Life, and Marine. (See under each heading.)

The main distinction between a contract of insurance and an ordinary wager consists in the fact that the insurer has an interest of a pecuniary nature in the risk against which he insures, a thing which is absent from a wagering contract.

In contracts of insurance every

material fact must be disclosed which would be likely to affect the judgment of the insurer. It is not enough that there should be an absence of misrepresentation. If any information, which is within the knowledge of the assured, is withheld, the policy of insurance will be void. The reason for the necessity of full disclosure is that "one of the parties is presumed to have means of knowledge which are not accessible to the other, and is then bound to tell him everything which may be supposed likely to affect his judgment." Contracts which require a disclosure of all material facts and the utmost good faith are said to be *uberrimae fidei*.

A case heard in 1902 shows the necessity of the insured taking care that he does not leave the filling up of a proposal form to a third person. A policy of insurance against accidental injury was effected with an insurance company through their local agent. The proposal form was filled up by the agent, many of the answers being false in material respects. The false answers were inserted without the knowledge or authority of the applicant, who signed the proposal form without reading it. The proposal contained a declaration in which the applicant agreed that the statements in the proposal should form the basis of the policy, and the policy contained a proviso that it was granted on the express condition of the truthfulness of the statements in the proposal. The applicant was injured shortly after the insurance had been effected, and in an action to recover the amount insured from the company it was held, first, that it was the duty of the applicant to read the answers in the proposal form before signing it, and that he must be taken to have read and adopted them; and secondly, that in filling in the false answers in the proposal the agent was acting not as the agent of the insurance company, but as the agent of the applicant, and that, therefore, the policy was void.

The principle of insurance is founded on the doctrine of probabilities. The business is generally carried on by companies having a large subscribed capital, by means of which they are able, without difficulty, to meet any heavy loss, while their premiums being proportioned to their risks, their profit is, on an average, independent of such contingencies.

No insurance of any kind can be effected unless the insurer has an "insurable interest" in that which is insured at the time of effecting it.

(See *Accident*, *Fire*, *Life*, and *Marine Insurance*.)

INSURANCE BROKER. (Fr. *Courtier d'assurances*, Ger. *Versicherungsmakler*, Sp. *Corredor de seguros*, It. *Agente di assicurazione*.)

This is a person who acts as agent for effecting insurances on ships, cargoes, etc.

INSURANCE, NATIONAL. (See *National Insurance Act*.)

INSURANCE POLICY. (Fr. *Police d'assurance*, Ger. *Versicherungsschein*, *Versicherungspolice*, Sp. *Póliza de seguros*, It. *Polizza di assicurazione*.)

This is the stamped document upon which the insurance guarantee is written, giving full particulars of all the risks insured against.

INSURANCE PREMIUM. (Fr. *Prime d'assurance*, Ger. *Versicherungsprämie*, Sp. *Prima de seguro*, *premio de aseguro*, It. *Premio di assicurazione*.)

The periodic payment which the insured pays to the insurer as the consideration for the insurance is called the premium.

INTERBOURSE SECURITIES. (Fr. *Obligations internationales*, Ger. *internationale Wertpapiere*, Sp. *Valores internacionales*, It. *Obbligazioni internazionali*.)

These are the securities, the loans for which were originally raised simultaneously in different countries. They are dealt in at a fixed rate of exchange, as indicated in the body of the bond. The chief are the Greek, Italian, Portuguese, Russian, Spanish, and Turkish loans.

INTEREST. (Fr. *Intérêt*, Ger. *Zins(en)*, Sp. *Interés*, It. *Interesse*.)

Interest is generally defined as money paid for the use of money. It is generally calculated at a certain rate per annum. The money lent is called the principal; the sum per cent. or per hundred agreed upon is the rate of interest.

Though it is true to say that the interest charged is the money agreed to be paid for the use of money, it is nevertheless divisible into two parts, for the rate charged increases as the risk undertaken is greater. Hence, one portion is for the use of the money, the remainder being a compensation for the chance of losing the whole owing to the insecurity of the investment.

Simple interest is computed upon the principal only and is invariable. Compound interest is calculated upon the principal and upon any interest which has accrued due and has not been paid.

Compound interest is not favoured by law, since it is the duty of a creditor to demand his interest as soon as it becomes due.

Unless agreed upon by the parties, no interest is allowed by the court in legal proceedings except in the following cases:

(1) Where there is a usage of trade;

(2) Where interest is specially given by a jury;

(3) When a judgment is not immediately satisfied.

INTEREST OR NO INTEREST. (Fr. *Intérêts ou sans intérêts*, Ger. *Zinsen oder ohne Zinsen*, Sp. *Intereses ó sin intereses*, It. *Interessi o senza interessi.*)

This is a term which used to be in common use in marine insurance policies, when underwriters insured against risks at sea whether the person insuring had or had not any pecuniary insurable interest in the subject matter. These so-called "honour" policies were invariably met. They are illegal by statute—The Marine Insurance (Gambling Policies) Act, 1909.

INTEREST WARRANTS. (Fr. *Mandats d'intérêt*, Ger. *Dividendenscheine, Koupons*, Sp. *Cupones de interes*, It. *Mandati pel pagamento degli interessi o dividendi.*)

These are orders for the payment of periodical dividends on stocks and shares as they fall due. These documents are generally sent through the post to shareholders.

INTERIM DIVIDENDS. (Fr. *Dividendes par intérim (intérimaires)*, Ger. *Abschlagsdividenden*, Sp. *Dividendos provisorios*, It. *Dividendi provvisori.*)

These are dividends declared before the whole profits of an undertaking for any period have been ascertained.

In the case of a joint-stock company the dividends are declared by the company in general meeting; but provision is often made by the articles of association for the directors to declare dividends before the whole of the profits have been ascertained. If an interim dividend is declared, the shareholders are asked at the next general ordinary meeting of the company to ratify the proceeding before the declaration of a further dividend.

INTERNATIONAL LAW. (See *Conflict of Laws.*)

INTERPLEADER. (See *Fieri facias.*)

IN TRANSITU. (Fr. *En transit*, Ger. *In Transit*, Sp. *En transito*, It. *In tránsito.*)

This Latin phrase signifies "in the course of transmission," or "on the way." (See *Stoppage in transitu.*)

INVENTORY. (Fr. *Inventaire*, Ger. *Inventar*, Sp. *Inventario*, It. *Inventario.*)

This is a list of articles, such as furniture, stock, etc., found in a house, or a catalogue of furniture and goods.

An inventory is always required to be attached to a bill of sale. It is also the duty of an executor or administrator to make a complete inventory of all the goods, chattels, wares, and merchandise of the deceased

INVESTMENT. (Fr. *Placement*, Ger. *Kapitalanlage*, Sp. *Inversion, empleo*, It. *Investimento, impiego di capitali.*)

An investment is money which is put out at interest in some fund or company, or laid out in the purchase of land, houses, or other property.

INVOICE. (Fr. *Facture*, Ger. *Faktur, Rechnung*, Sp. *Factura*, It. *Fattura.*)

A written statement giving full particulars of the price, nature, and quantity of goods sold or consigned.

There are several different kinds of invoices, the more important of which are as follows:—

(1) A consignment invoice, made use of when goods are shipped to a firm abroad, to be sold on commission for the shipper. The following is the usual heading for a consignment invoice:—

INVOICE of *one case of printed cotton*, shipped at *Liverpool* per s.s. *Bombadier* to *Bombay*, and consigned to *Messrs. Cross & Co.*, for sales on account and risk of BARNARD BARTON.

(2) A consular invoice, which must be made out by a merchant who exports goods to the United States, Portugal, Chili, and some of the other republics of South America. Three or four of these documents have to be made up and declared before the consul of the place in the United Kingdom from which the goods are exported. The bales or other packages enclosing the goods must have the words

Made in Great Britain

written or printed upon them, together with a description of the goods, the usual marks and numbers, a declaration of the exporter, and a certificate from the consul.

(3) A cost and freight invoice has upon it the price of the goods, the cost of packing and of carriage to the ship, the shipping charges, and the freight to the port of destination.

(4) A cost, insurance, and freight invoice, abbreviated C.I.F., and pronounced "siff," contains the price of the goods, the cost of packing and of carriage to the ship, the shipping charges, the

freight to the port of destination, and the premium of insurance.

(5) An export invoice contains the description, marks, numbers, weight or measure, price, and charges upon the goods shipped.

(6) A franco invoice includes all charges up to the time that the goods are delivered at the door of the purchaser. Franco invoices for the continent of Europe have the quantities expressed in metric weights and measures; the amounts written in the currency of the country to which the goods are consigned, and the wording is expressed in the language of the continental country.

A free alongside invoice, abbreviated F.A.S., contains all prices and charges up to the time the goods are placed alongside the ship.

A free on board invoice, abbreviated F.O.B., includes all prices and charges up to and including the placing of the goods on board ship.

An inland invoice is one used in the home trade, for goods sold and delivered within the United Kingdom.

A loco invoice gives the original cost of goods either at the place of production or port of export. Additional charges to be paid by the exporters are afterwards added.

I.O.U. (Fr. *Reconnaissance*, Ger. *Schuldschein*, Sp. *Pagaré*, It. *Dichiarazione di debito*.)

This is a memorandum of debt, a conventional way of writing "I owe you." In form it is generally something like the following:—

"*January* 1, 1916.

To Joseph Brown.

I.O.U. £50. *James Jones*."

It is neither a receipt, an agreement, nor a negotiable instrument. It requires no stamp. In an action to recover money lent, the production of an I.O.U. by the plaintiff, signed by the defendant, is evidence of an account stated between the parties, though not of the amount of money lent. Unless the date and the names of the parties are set out as in the example given, a document purporting to be an I.O.U. is valueless.

J. This letter occurs in the abbreviations:—

J/A, Joint Account.

Jun. } Junior.
Jr.

JERQUE NOTE. (Fr. *Certificat de déclaration d'entrée*, Ger. *Zeugnis der* ———, Sp. *declaración de entrada*, It. *Certificato di dichiarazione di entrata*.)

This is another name for the certificate of a ship's clearance inwards (*q.v.*).

JERQUER. (Fr. *Vérificateur des douanes*, Ger. *untersuchender Zollbeamter*, Sp. *Revisador de aduana*, It. *Inspettore di dogana, verificatore di dogana*.)

This is an officer of customs who searches vessels on their arrival in port, to ascertain whether any prohibited or unentered goods liable to duty are secreted on board with a view to their being smuggled into the country.

JERQUING. (Fr. *Visite de douane*, Ger. *Zolluntersuchung*, Sp. *Visita de aduana*, It. *Ispezione de dogana*.)

This means the searching of vessels by the jerquer (*q.v.*) or other officer of customs.

JETSAM. (Fr. *Objets jetés à la mer*, Ger. *Notauswurf*, Sp. *Echazón, alijamiento*, It. *Oggetti gettati in mare*.)

These are goods thrown overboard in time of peril, and which remain under water.

JETTISON. (Fr. *Jeter en mer*, Ger. *Überbordwerfen*, Sp. *Echar al mar*, It. *Gettare a mare*.)

This is the act of deliberately throwing overboard cargo or ship's tackle to lighten the ship in a storm, or when otherwise in danger. All loss which arises in consequence of extraordinary sacrifices made or expenses incurred for the preservation of the ship and the cargo comes within general average, and this must be borne proportionably by all who are interested. (See *Average, General*.)

JOBBERS. (Fr. *Agioteurs*, Ger. *Effektenhandler*, Sp. *Agiotistas*, It. *Speculatori sui fondi pubblici, giuocatori alla borsa*.)

This is the name given to the dealers in stocks and shares, who act on their own account with other jobbers on the Stock Exchange, and indirectly with the public through stockbrokers, the latter only buying and selling on account of their clients.

JOINT ACCOUNT. (J/A.) (Fr. *Compte à demi*, Ger. *gemeinschaftliche Rechnung*, Sp. *Cuenta á mitad*, It. *Conto collettivo*.)

An account of the transactions in a particular business or undertaking, where two or more parties or firms combine so as to provide the necessary capital and services, and agree to divide the profits and losses arising out of the same.

JOINT STOCK. (Fr. *Capital social*, Ger. *Gesellschaftskapital*, Sp. *Capital social*, It. *Capitale sociale*.)

This is stock held jointly or in a company.

JOINT STOCK BANK. (See *Bank, Joint Stock.*)

JOINT STOCK COMPANIES. (See *Companies, Limited Liability.*)

JOURNAL. (Fr. *Journal,* Ger. *Journal, Tagebuch,* Sp. *Diario,* It. *Giornale, diario.*)

In book-keeping this is the book which contains an account of each day's transactions, made up from the waste book, and arranged for posting in the ledger. Sometimes it is necessary, in businesses of any magnitude, to break up the journal into various subsidiary books, and the whole of these then comprise what is called the journal. One column always shows the page in the ledger where the entries are to be found.

JOURNALISE. (Fr. *Porter au journal,* Ger. *Journalisieren,* Sp. *Llevar al diario, entrar al diario,* It. *Mettere a giornale.*)

This is the act of entering up the journal.

JUDGE'S ORDER. (Fr. *Mandat de juge,* Ger. *richterliches Urteil,* Sp. *Orden judicial,* It. *Mandato giudiziario.*)

A judge's order is one made by a judge, either of the High Court or of a county court, upon any matter brought before him.

JUDGMENT CREDITOR. (Fr. *Créancier autorisé,* Ger. *gerichtlich anerkannter Glaubiger,* Sp. *Acreedor reconocido,* It. *Creditore riconosciuto o autorizzato.*)

This is a person who has brought an action for debt or damage against another in a court of law, and has obtained judgment for the whole or a part of the amount claimed. The rights of a judgment creditor are—

(1) An action for non-payment of the judgment debt.

(2) Power to issue execution.

(3) Power to issue a bankruptcy notice.

(4) A committal of the debtor to prison under certain conditions.

JUDGMENT DEBTOR. (Fr. *Débiteur condamné,* Ger. *gerichtlich anerkannter Schuldner,* Sp. *Deudor condenado,* It. *Debitore condannato.*)

A debtor against whom a judgment has been obtained, ordering him to pay a sum of money, such order not having been satisfied. A judgment debtor may be examined as to his means, and the judgment creditor may proceed against him by issuing an execution, serving a bankruptcy notice upon him, or getting an order for committal if it is proved that he has had means to pay the amount of the judgment debt since the judgment, and has refused to do so.

JURY. (Fr. *Jury,* Ger. *Schwurgericht,* Sp. *Jurado,* It. *Giuria.*)

A jury is a body of men selected and sworn to declare the truth of any particular matter on the evidence placed before them. A grand jury is composed of any number between twelve and twenty-three men, and a coroner's jury of thirteen or more; every other jury in England and Ireland is composed of twelve, except in the county courts, where the number is eight.

Every man between the ages of twenty-one and sixty is liable to serve as a juryman, who—

(1) Has a clear income of £10 a year arising out of landed property, or who is entitled to that amount for his own life or the life of another;

(2) Has a clear income of £20 a year arising out of leasehold lands or tenements held for a term of twenty-one years or more, or for a term terminable on life or lives;

(3) Is a householder rated for inhabited house duty in Middlesex at not less than £30, and in any other county at not less than £20;

(4) Occupies a house with not less than fifteen windows.

Any man who fulfils any of these conditions is qualified, and is liable to serve at all trials, criminal or civil, in the High Court, in the superior courts of the counties palatine of Lancaster and Durham, and in any assize court, provided that the trial takes place in the county in which the juror resides. He is also qualified and liable to serve on grand and petty juries at sessions, borough or county, in his own county. Any burgess of a borough which has a separate court of quarter sessions, or a borough civil court, is liable to serve on the juries of the same, unless he is exempted by reason of age or other infirmity. Aliens can only be called upon to act as jurors, if otherwise qualified, when they have been domiciled in England or Wales for ten years.

A man is qualified to act as a special juryman if his name is on the jurors' book for any county, and he is legally entitled to be called an esquire, or is a person of higher degree, or is a banker merchant, or occupies a private dwelling-house rated and assessed at not less than £100 in a town containing 20,000 inhabitants or more, and at

£50 in a less populous place, or occupies premises other than a farm rated and assessed at not less than £100, or a farm rated and assessed at £300 or more.

A juryman for any court other than a coroner's court must be duly summoned to appear at any court at least six days before the date fixed for attendance. Unless the notice is regularly and properly served, an absent juror is not liable to any penalty if he fails to attend.

The qualifications for jurymen at coroners' inquests are very wide, and vary in different localities according to custom. There does not appear to be any limit as to age, nor are there any special qualifications required. But it seems that exemptions can be claimed as in the case of other juries.

The remuneration of a special juryman is one guinea for each case in which he is sworn. By arrangement between the parties this amount may be increased when the trial extends over a considerable period of time. A common juror in the High Court or a county court is entitled to one shilling a case, and at most assizes the sum payable is eightpence. In the Mayor's Court, held at the Guildhall, fourpence (the old groat) is paid. There is no allowance made in criminal cases.

Reasonable refreshments, and the use of a fire when out of court, may now be granted by leave of the judge, but at the expense of the jurors. Only in the gravest crimes are jurors prevented from separating during the progress of a trial.

If a name appears on the jury list, no exemption is granted unless the leave of the judge is obtained at the court to which the juror is summoned, or unless he is suffering from illness. The jury lists should therefore be periodically examined to see that names are not improperly inserted. No man who has been convicted of treason, felony, or any infamous crime, unless he has been pardoned, can sit upon a jury, and the following are exempted by Act of Parliament from serving:—

Peers, M.P.'s, judges, clergymen, Roman Catholic priests, dissenting ministers and Jewish rabbis whose place of meeting is duly registered, provided they follow no other occupation except that of schoolmaster, sergeants, barristers, certificated conveyancers, special pleaders, if actually practising, members of the society of doctors of law and advocates of the civil law, if actually practising, attorneys, solicitors and proctors, if actually practising and having taken out their annual certificates, and their managing clerks and notaries public in actual practice, officers of the courts of law and of equity and the clerks of the peace and their deputies, if actually exercising the duties of their respective offices, coroners, gaolers and keepers of houses of correction, and all subordinate officers of the same, keepers in public lunatic asylums, all registered medical practitioners and pharmaceutical chemists if actually practising, officers of the army, navy, militia and yeomanry, while on full pay, the members of the Mersey Docks and Harbour Board, the master, warden and brethren of the Corporation of Trinity House of Deptford Strand, pilots licensed by the Trinity House of Deptford Strand, Kingston-upon-Hull, or Newcastle-upon-Tyne, and all masters of vessels in the buoy and light service employed by any of these corporations, and all pilots licensed under any Act of Parliament, officers of the post-office commissioners of customs and inland revenue, and those employed by them in collection and management, sheriff officers, police officers, metropolitan magistrates and their clerks, ushers, doorkeepers, and messengers, members of the council of the municipal corporation of any borough, and the town clerk and treasurer, and every justice assigned to keep the peace therein, so far as relates to any jury summoned to serve in the county where such borough is situated, burgesses of every borough in which a separate court of quarter session is held, so far as relates to a jury summoned for any sessions in the county where the borough is situated, justices of the peace within the place of their own jurisdiction, officers of the Houses of Parliament, and territorials.

By an Act passed in 1918, the right of trial by jury was much restricted in civil causes, and a jury can only be demanded at present in a very limited number of cases. The grand jury is in abeyance, and so also is the coroner's jury.

KEEL. (Fr. *Quille*, Ger. *Kiel*, Sp. *Quilla*, It. *Chiglia*, *carena.*)

(1) The lowest part of the frame of a ship or boat.

(2) A unit of weight for coals, equal to twenty-one and one-fifth tons, which is in use among the Tyne ports.

KEELAGE. (Fr. *Droits d'ancrage*, *Droits de port*, Ger. *Kielgeld*, Sp. *Derechos de quilla*, It. *Diritti del porto.*)

These are dues that have to be paid for the keeping of a ship in port.

KEEP HOUSE. (Fr. *Se cloîtrer volontairement*, Ger. *sich fernhalten*, Sp. *Dar con la puerta*, It. *Rinchiudersi, segregarsi.*)

A debtor is said to "keep house" if he denies his creditors an interview when they call at reasonable hours. This constitutes an act of bankruptcy (*q.v.*).

KENTLEDGE or **KINTLEDGE.** (Fr. *Gueuse, saumon*, Ger. *Ballasteisen*, Sp. *Lingotes de hierro*, It. *Gabarra da zavorra.*)

This name is given to the permanent ballast of a ship, which is deemed to be a part of such ship. The ballast generally takes the form of pigs of iron, or some other such weighty material.

KHAKIS. (Fr. *Consolidés anglais, Khakis*, Ger. *Konsols, Khakis*, Sp. *Consolidados ingleses, Khakis*, It. *Consolidati inglesi.*)

The name given on the Stock Exchange to the National 2¾ per cent. War Loan raised during the Boer War of 1899-1902.

KILDERKIN. (Fr. *Demi-baril*, Ger. *Eimer*, Sp. *Medio barril*, It. *Barilettc, barile della capacità di litri* 80 *circa.*)

A kilderkin is a small barrel containing eighteen gallons.

KILOGRAMME. (Fr. *Kilogramme*, Ger. *Kilogramm*, Sp. *Kilógramo*, It. *Chilogrammo.*)

This is the unit of weight in the French metric system, consisting of a thousand grammes. It is equal to 2·20462 lbs. avoirdupois, or a little more than 2¼ lbs.

KITE. (Fr. *Billet de complaisance*, Ger. *Kellerwechsel*, Sp. *Letra de acomodación*, It. *Cambiale di favore.*)

This is another name for an accommodation bill (*q.v.*).

KITEFLYING. (Fr. *Émission de billets de complaisance*, Ger. *Wechselreiterei*, Sp. *Emisión de letras de acomodación*, It. *Emissione di cambiali di favore.*)

Kiteflying is the dealing in fictitious or accommodation paper in order to raise money or keep up one's credit.

KNOT. (Fr. *Nœud*, Ger. *Knoten, Seemeile*, Sp. *Nudo*, It. *Nodo.*)

A knot is a nautical mile, equal to 2,028 yards, or one-sixtieth of a degree of latitude.

KOPECK. (Fr. *Copeck*, Ger. *Kopeke*, Sp. *Copec*, It. *Copec.*)

This is a Russian copper coin, equal to the hundredth part of a silver rouble. A rouble is of the value of 2*s.* 1½*d.* sterling, and a kopeck is therefore almost equivalent in value to one-fourth of a penny. The intrinsic value of the rouble and the kopeck with silver at its present low price is considerably less.

The word is derived from the name of a lance, as a figure of St. George with a lance in his hand was formerly impressed on the coin.

L. This letter is used in the following abbreviations:—

- L/c, Letter of Credit.
- Led., Ledger.
- L.S., *Locus sigilli*—Place for Seal.
- £E., Pounds Egyptian.
- £T., Pounds Turkish.
- Ltd., Limited.

LAC, or **LAKH.** (Fr. *Lac, lack*, Ger. *Lack*, Sp. *Lac*, It. *Lac.*)

This is a Hindustani term which, in its original acceptation, is applied to the computation of money in the East Indies. It signifies 100,000. Thus, a lac of rupees is equal to 100,000 rupees, and its value, at the exchange of 1*s.* 4*d.* for the rupee, is about £6,667. A hundred lacs is called a crore.

In Indian notation the commas marking off the periods are placed after the lacs and crores, and not after the thousands and millions. Thus, a lac of rupees is written, 1,00000.

LACHES. (Fr. *Négligence, retard*, Ger. *Saumnis, Vernachlässigung*, Sp. *Descuido, dilación*, It. *Trascuranza, trascuratezza, indugio.*)

This is a legal term which is used to indicate delay or neglect of such a nature as to disentitle a person of such rights as he would otherwise have been entitled to.

LADEN IN BULK. (Fr. *Chargé en volume, chargé en bloc, chargé en grenier*, Ger. *Sturzladung, Sturzgüter*, Sp. *Cargado en bulto*, It. *Caricato in volume.*)

This shipping term is used to indicate that a cargo is laden loose or in bulk, dunnage being used to prevent damage. Cereals are often shipped in this way.

LADING, BILL OF. (See *Bill of Lading.*)

LAGAN. (Fr. *Objets recouvrables par moyen d'une bouée*, Ger. *Wrackgut*, Sp. *Objectos sumergidos atados á una boya*, It. *Oggetti gettati in mare attaccati ad un galleggiante.*)

These are goods thrown overboard from a ship which sink, but which are buoyed so that they may be subsequently recovered.

LAME DUCK. (Fr. *Spéculateur insolvable*, Ger. *verkrachter Börsenspekulant*, Sp. *Agente de bolsa declarado insolvente*,

It. *Speculatore o giuocatore insolvibile o espulso.*)

This expression is in use on the Stock Exchange to indicate a defaulter who, being unable to pay his differences, or meet the claims made upon him, is hammered and expelled from the House.

LAND MARKS. (Fr. *Amers,* Ger. *Landmarken, Baken,* Sp. *Marcas, hitos.* It. *Qualunque oggetto elevato che serva di guida ai naviganti, limite che divide le terre.*)

These are conspicuous objects which serve as guides to travellers, and for marking out boundaries.

LAND STEWARD. (Fr. *Intendant,* Ger. *Gutsverwalter,* Sp. *Intendente,* It. *Fattore.*)

A person who manages a landed estate for its owner.

LAND TAX. (Fr. *Impôt foncier,* Ger. *Grundsteuer,* Sp. *Impuesto territorial,* It. *Imposta territoriali, tassa fondiaria.*)

This is a tax assessed upon land. The quota payable by each parish, as fixed in 1798, less the amount redeemed, is raised by an equal pound rate, the rate of assessment not to exceed 1*s.* in the £. Where the income of the owner of the land does not exceed £160, he is exempt from payment of land tax, and if the owner's income does not exceed £400 one-half of the tax is remitted.

New taxes were introduced by the Finance Act of 1909-10, called "Land Values Duties," and these may be summarised as follows:—

(1) *Increment Value Duty.*—This is a duty payable on the occasion

(*a*) Of any transfer or sale of land or any interest therein.

(*b*) Of any lease for more than fourteen years.

(*c*) Of the land, or interest in it, passing on death.

In the case of corporations, in addition to (*a*) and (*b*), and in substitution for (*c*), a duty is payable in 1914 and every fifteen years thereafter.

The duty is payable as a stamp duty by (*a*) the seller, (*b*) the lessor, (*c*) the deceased's estate, or (*d*) the corporation; and is calculated as follows: £1 for every £5 of "increment value," that is, the increase in the value of the site since the 30th April, 1909, or since the last payment of duty. In making the calculation, the buildings and the other erections thereon are not to be taken into account.

Exemptions from this increment value duty are allowed in the following cases:—(i) Agricultural land, while it has no higher value than for agricultural purposes only. (ii) Small residences occupied by the owner, or the holder of a lease for fifty years, where the annual value does not exceed £40 in London, £26 in towns of 50,000 or more, and £16 elsewhere. (iii) Small agricultural holdings, where the land and the dwelling do not exceed £30 in annual value, occupied and cultivated by the owner, and not exceeding 50 acres (and the average value does not exceed £75 an acre). (iv) Recreation grounds owned by corporate and other bodies, without view of a profit, are not liable to the periodical charge (*d*). (v) Flats (transfer, lease, etc., of separate dwelling). (vi) Ten per cent. of increment is allowed free on first and on any subsequent occasion, but such allowances are not to amount to more than 25 per cent. in any period of five years. (vii) Allowance is made where Reversion Duty has been paid for the same benefit or increment. (viii) Minerals which were the subject of a mining lease or were being worked on the 30th April, 1909. (ix) Minerals not so exempt are subject to a special basis of charge to Increment Value Duty, as an annual duty.

(2) *Reversion Duty.*—This is a duty which is payable by a lessor upon the determination of a lease.

The rate of duty is £1 for every £10 of the value of the benefit accruing to the lessor.

Exemptions from reversion duty are granted in the following cases:—(i) Reversions purchased before the 30th April, 1909, under leases which determine within forty years of purchase. (ii) Leases of agricultural land. (iii) Leases the original term of which did not exceed twenty-one years. (iv) An allowance is made where a fresh lease is granted before the expiration of the original lease, 2½ per cent. of duty for each unexpired year, up to 50 per cent. of the whole duty. (v) An allowance is made where Increment Value Duty has been paid for the same benefit or increment. (vi) Mining leases are not charged.

(3) *Undeveloped Land Duty.*—This duty is payable by the owner (including a lessee for a term of fifty years or more) of any land which has not been developed by the erection of dwelling-houses or buildings for the purpose of any trade, etc., other than agriculture (but including glass-houses or greenhouses as trade buildings), or is not otherwise used

bonâ fide for any trade, etc., other than agriculture.

The rate of this duty is one halfpenny annually for every £1 of the "site value," that is, the market value of the fee simple of the land if divested of buildings, timber, etc., and less the value of any minerals.

Exemptions from this undeveloped land duty are granted in the following cases:—(i) Land the site value of which does not exceed £50 an acre. (ii) Agricultural land, except on such part of the site value as exceeds its agricultural value. (iii) Parks and spaces open to the public as of right, or to which the public are allowed reasonable access. (iv) Recreation grounds, used as such under agreements for not less than five years. (v) Land not exceeding one acre occupied with a dwelling-house. (vi) Garden (with a dwelling-house) up to five acres, when the site value of the whole does not exceed twenty times its annual value. (vii) Agricultural land held under an existing agreement and not chargeable until the termination of the agreement. (viii) Agricultural land occupied and cultivated by the owner, if the whole of the land owned by him does not exceed £500 in value.

An allowance is made where increment value duty has already been paid in respect of undeveloped land.

(4) *Mineral Rights Duty.*—This is a duty payable in respect of the rental value of all rights to work minerals lying under the lands of the owners thereof, and also in respect of all wayleaves.

The rate of this duty is 1*s.* annually for each £1 of the rental value. It is payable by the proprietor of the land where he himself works the minerals, and in any other case by the immediate lessor of the working lease.

Exemptions from this mineral rights duty are granted in the cases of the working for common clay, common brick clay, common brick earth, sand, chalk, limestone, and gravel.

No reversion duty is payable upon the determination of a mining lease, and no increment duty is payable upon the granting of the same. There are also certain exceptions made in the case of mining leases granted before the 30th April, 1909.

There is still much controversy and litigation with respect to these various new land taxes, and it is therefore impossible at present, to enter into greater details than those just given.

LAND TRANSFER ACT, 1897. Under this Act the real estate (except copyholds) of a deceased person vests in the executor or administrator, instead of vesting at once in the devisee or heir-at-law. No change is made in the devolution of realty, in case of intestacy, but the personal representative holds it in trust for those persons who are entitled to it, and these persons have the right to require a transfer of the realty to them as they had previously a right as to the personalty. Consequently, probate and administration are now granted in respect of real estate, even though there is no personal estate.

In the administration the real estate is now liable in the hands of the personal representative for the debts of a deceased person, whether expressly charged or not, and the representative is empowered to deal with the same by way of sale, mortgage, or otherwise. But no difference has been made in the order of administration. The residuary personalty is primarily liable, and resort can only be had to the realty when the personalty is exhausted.

Another object of this Act is the compulsory registration of land; but its provisions are such as to make the system of registration quite optional. No land in any county is affected unless an Order in Council has been made to that end. This portion of the Act is now in operation in the whole of the county of London. All ordinary sales of freeholds, all sales of leaseholds having forty or more years still to run, or two or more lives still to fall in, and grants of leases or underleases for the same periods are to be registered. But registration does not apply to a lease created for mortgage purposes, or containing an absolute prohibition against alienation.

The procedure on registration is as follows. The applicant or his solicitor attends the registry with the deeds relating to the property, and a copy of the same, written on stout paper, for filing. A plan must also be produced. The land is identified on a large scale ordnance map kept at the registry, and the draft entries for the register are prepared and settled. A land certificate is then drawn up and forwarded to the applicant or his solicitor. The register is private, and no examination can be made except with the authority of the registered owner, or on notice to him.

The offices of the Land Registry are

at 34, Lincoln's Inn Fields, but the business of registration is carried on at 6, Portugal Street, and 3, Clement's Inn, for the portions of the county of London lying north and south of the Thames respectively.

LAND WAITER. (Fr. *Douanier*, Ger. *Zollinspektor*, Sp. *Carabinero*, It. *Guardia doganale o daziaria.*)

This is an officer of the customs who tastes, weighs, measures, and examines goods liable to duty, and takes an account of them, for the purpose of taxation, on their being landed from a ship; or, in the case of exported goods, who watches over and certifies that the goods are shipped in accordance with the prescribed form. He is also frequently known as a "searcher."

LANDING ACCOUNTS. (Fr. *Comptes de débarquement*, Ger. *Landungsscheine*, Sp. *Cuentas de desembarco*, It. *Conti di sbarco.*)

These documents are compiled by dock companies and warehouse-keepers respecting goods landed at their wharves, showing:—

(1) The ship from which the goods were landed.

(2) The marks, numbers, and weights of the packages.

(3) The date from which the rent commences.

LANDING BOOK. (Fr. *Livre des marchandises débarquées*, Ger. *Landungsbuch*, Sp. *Libro de entradas*, It. *Libro o registro degli sbarchi.*)

This is a book kept by dock companies and warehouse-keepers containing particulars similar to those in landing accounts, and from which the latter are made up.

LANDING ORDER. (Fr. *Ordre de débarquement*, Ger. *Löschschein*, Sp. *Orden de desembarco*, It. *Ordine di sbarcare.*)

This is a Custom House document addressed to the chief officer of a ship after the importer has passed his entry and paid the duty, if any, upon the goods he is importing, authorising him to deliver the goods overside so as to permit of their being landed. The goods are inspected by the searcher as they leave the ship, and the landing order is signed by him as showing that the entry has been found correct.

LANDING WEIGHT. (Fr. *Poids au débarquement*, Ger. *Landungsgewicht*, Sp. *Peso de desembarco*, It. *Peso di sbarco.*)

Landing weight signifies the actual weight of the cargo as it is taken out of the ship. The shipowner frequently reserves the right, in a contract of affreightment, of charging the freight upon the weight of the cargo either at the time of shipment or of landing. His choice will depend upon the nature of the cargo—some increasing in weight, others decreasing during transit.

LANDLORD AND TENANT. (Fr. *Propriétaire et locataire*, Ger. *Gutsbesitzer* or *Hausbesitzer und Mieter*, Sp. *Propietario e inquilino*, It. *Padrone e inquilino.*)

(N.B.—The special war legislation is omitted in this section.)

The relationship of landlord and tenant arises whenever one person who has a legal estate in houses or lands grants to another person a less legal estate in the same in consideration of a payment in money or of some specified service called rent. In general the same principles of law are applicable to every kind of letting, whether the property dealt with is a piece of land, a dwelling-house, a shop or warehouse, or a limited portion of any of them. The principal exceptions are connected with agricultural lettings and leases.

Until the passing of the Statute of Frauds, all leases and agreements as to tenancies could be made verbally. And this is still so when a lease does not exceed three years from the making, and the rent reserved is at least two-thirds of the improved value of the premises. All other leases, however, were required by the Statute of Frauds to be in writing, and since 1845 all leases which are required to be in writing must be made by deed. But if the tenant does not go into possession at once there must still be some agreement in writing as to the tenancy, in order to satisfy the fourth section of the Statute of Frauds as to an interest in land. For example, if a tenant agrees to take a house for three months commencing next week, and there is no evidence of the same in writing, he will have no right of action against the landlord if the latter refuses to admit him. But if the tenant once gets into possession the parol agreement is sufficient.

Since the Judicature Act an agreement for a lease (being properly stamped as a lease) is just as effectual as a deed if the tenant has gone into possession. "A tenant holding under an agreement for a lease, of which specific performance would be decreed, stands in the same position as to liability as if the lease had been executed. He is not, since the Judicature Act, a tenant from year

to year; he holds under the agreement, and every branch of the court must now give him the same rights. There is an agreement for a lease under which possession has been given. Now, since the Judicature Act, the possession is held under the agreement. There are not two estates as there were formerly, one estate at common law by reason of the payment of the rent from year to year, and an estate in equity under the agreement. There is only one court, and the equity rules prevail in it. The tenant holds under an agreement for a lease. He holds, therefore, under the same terms in equity as if a lease had been granted, it being a case in which both parties admit that relief is capable of being given by specific performance."

A tenant in fee simple being as nearly as possible the absolute owner of his land, he can grant leases of any description for any period he chooses, and without any restrictions. A tenant in tail, and a tenant for life, unless under a special power, can only grant an occupation or an agricultural lease for a period not exceeding twenty-one years, a mining lease for sixty years, and a building lease for ninety-nine years. A mortgagor or mortgagee in possession, unless restrained by the mortgage deed, is also able to grant occupation or agricultural leases for twenty-one years, and building leases for ninety-nine years. In other cases the mortgagor and mortgagee must concur in order to make a valid lease. An executor can grant a lease even before probate. A copyholder cannot grant a lease for a longer period than a year without the consent of the lord of the manor. Any attempt to do so is generally a ground of forfeiture.

The contents of a lease will vary greatly with the nature of the property. As in any other document which embodies the terms of a contract, the names of the parties, the property dealt with, the length of the term, and the rent to be reserved must be set forth. The rest of the lease must depend upon the peculiar circumstances of each case, and no general rules can be laid down as to the covenants it should contain. Those will be a matter of arrangement between the landlord and the tenant. They should be set forth with the utmost clearness and certainty, as the decisions of the court as to the meaning of such words as "outgoings" and "impositions" have been somewhat conflicting. The express covenants have reference, in general, to the payments of rates, taxes, etc., to insurance, to repairs and to the uses to which the premises are to be put. It is also a very general covenant on the part of the tenant not to assign or underlet without the consent in writing of the landlord. The words "such consent not to be arbitrarily withheld," are commonly added to the covenant. When this is so the tenant is absolutely compelled to apply to the landlord for his consent in the first instance, if he wishes to assign or under-let. But if the landlord refuses to give his consent, and the assignee or under-lessee is really a responsible person, the assignment or under-letting is good without such consent.

When there is an express covenant on the part of the landlord to repair there is no obligation on him to do the repairs until he has been served with a notice as to the same. The insertion of such a covenant in the lease gives the landlord an implied right to inspect the premises as to the repairs necessary. When the tenant covenants to repair he is bound to give up the premises at the expiration of his lease in the same condition that they were at the date of the lease, allowance only being made for any diminution in value by lapse of time. If the premises are destroyed the tenant must replace them. For that reason a tenant who enters into such a covenant to repair must protect himself by insurance.

But in the absence of express covenants there are certain implied ones. The principal one on the part of the landlord is a covenant for quiet enjoyment, that is, an undertaking that there shall be nothing done to interfere with the peaceful possession on the part of the tenant during the currency of the lease, so far as the landlord himself is concerned, or any person who claims through him, or through whom he claims. But this is not a guarantee that there shall never be any interference at all. A person who has a title paramount to that of the landlord may always evict a tenant of the landlord, seeing that he is in no better position than that of a trespasser. The tenant on his part impliedly covenants to pay rent, and in England, though not in Scotland, he is not freed from this liability, even though the premises are destroyed by fire. The landlord, moreover, in the absence of any covenant

on his part to repair, is under no obligation to restore the premises which have been burned down. In agricultural leases there is an implied covenant on the part of the tenant to keep up the fences and hedges, and to cultivate the land in accordance with the custom of the country. But it is not an implied covenant on the part of the landlord that the premises are fit for human habitation, except in the case of the letting of furnished houses and apartments, and also of tenements under the Housing of the Working Classes Act, 1890.

As a lease is made for a fixed period it is determined by effluxion of time. No notice of its termination is necessary. But it may come to an end earlier by reason of a breach of one or more of the covenants. It is a common practice to insert a clause in a lease to the effect that on a breach taking place the landlord shall have a right of re-entry. If the landlord is able to re-enter peaceably he can terminate the lease by retaking possession. But although he may have this right to re-enter, he cannot use force. His remedy is then an action at law. But in almost every case the court will grant relief against the forfeiture, on the tenant fulfilling his obligations under the covenant and paying the costs occasioned by the breach. But no relief will be granted to a tenant who has been made a bankrupt, or who has assigned or under-let, when there is a covenant in the lease that either of these shall be a cause of forfeiture.

Where a lease has been granted for a period, the tenant holds for his term in spite of any conveyance made by his landlord during the currency of the lease. It is also a rule of law that a tenant may not dispute his landlord's title. If, therefore, a tenant has ever acknowledged a person as his landlord, either expressly or by conduct, he is estopped from denying the same in any proceedings at law that may be taken.

A tenancy from year to year arises when land is let from year to year, or when it is let without any express stipulation to that effect, but with the reservation of a yearly rent, or when a tenant holds over after the expiration of his term, and pays rent for so doing. The courts lean, in the absence of any specific agreement, towards tenancies from year to year, and if there are other circumstances which help them to arrive at such a conclusion, the mere fact that rent is paid half-yearly or quarterly will make no difference. But the mode of paying rent is generally a strong proof of the nature of the tenancy. For example, it would be difficult to set up anything but a monthly or a weekly tenancy when the rent is paid either monthly or weekly.

A letting for "one year certain, and so on from year to year," is a tenancy for two years at least, unless there is a stipulation that the tenancy may be determined at the end of the first year.

A tenancy from year to year is determinable by either landlord or tenant, upon a half-year's notice being given, such notice expiring at the end of the current year of the tenancy. In agricultural lettings, however, a year's notice is required. A monthly tenancy requires a month's notice, and a weekly tenancy a week's notice. In the case of lodgings a reasonable notice only is required, and what is a reasonable notice depends on the circumstances of each particular case.

The notice to quit need not be a written one, but it is much safer not to depend upon a mere verbal notice. The wording should be clear and distinct, so that the tenant cannot be under any mistake as to the object of the notice; but the courts are ready to overlook trifling inaccuracies. A notice must be construed in accordance with the intention of the landlord. But a notice in the alternative, either to quit or pay an increased rent, is insufficient. If it were so worded as to first give the notice, and then to add that in case the tenant did not leave the landlord would demand double rent, the notice would be good. There is no need for the notice to be served personally. It may be left with a servant at the house of the tenant, and its purport explained to him. The great object is to take care that the notice does get into the hands of the tenant, or that he is acquainted with it. It has, therefore, been held a sufficient service to place the notice under the door, or to send it by post. When there has been an under-letting, the notice must be served upon the lessee, and not upon the sub-lessee.

A tenancy at will is one which is terminable at the pleasure of either the landlord or the tenant. But unless there is an express agreement that the tenancy is to be one at will, the courts will always endeavour to construe it as anything but a tenancy at will.

A tenancy by sufferance is one in which possession is taken lawfully, but afterwards continued without leave or objection on the part of the landlord. It most frequently arises when a tenancy has come to an end in the ordinary course, and the tenant continues to hold. A tenant by sufferance cannot be ejected unless the landlord has made a previous demand for possession.

On the expiration of the term of the tenancy it is the duty of the tenant to deliver up possession of the premises, together with all the buildings, erections, and landlord's fixtures. If there has been any under-letting, it is for the tenant to see that his under-tenant is out of that part which has been under-let, for the landlord is entitled to complete possession, and the responsibility of the tenant does not cease until the complete possession has been obtained. The tenant is entitled to take away all fixtures which are known as tenant's fixtures. (See *Fixtures.*)

Mutual Remedies. — (*a*) Landlord against tenant. For the non-payment of rent the landlord has the summary remedy of distress. (See *Distress.*) But if distress has become impossible, owing to any circumstances, the tenant may be sued upon his covenant to pay rent, or the landlord may claim the right to re-enter. It has been already stated that a clause is usually inserted in well-drawn leases providing for the right of re-entry without demand. This gives an immediate right of action. But if there is no such proviso, a proper demand must be made, varying with the nature of the tenancy. When the rent exceeds £100 a year, proceedings must be taken in the High Court; when it is below that amount the county court is the proper tribunal. If, however, the rent does not exceed £20 a year, and the term is for a period not greater than seven years, the landlord may summon the tenant before the justices, who are empowered to issue a warrant authorising the constable of the district to eject the tenant and give possession to the landlord. For the breach of any other covenant than that of the non-payment of rent the landlord may rely upon his right of action for breach of the covenant, or claim to re-enter.

(*b*) Tenant against landlord. The usual remedy is an action for damages for breach of covenant. Deductions from rent are doubtful remedies, and cannot be relied upon except in three cases: (1) if the landlord has undertaken to pay a tax levied upon the tenant, and has failed to do so; (2) if the tenant has been compelled to pay the landlord's tax, owing to the latter's default; and (3) if the tenant has made payments to protect himself from a distress levied by a superior landlord or from the claims of a mortgagee.

Payment of Poor Rates.—Where premises are let for a less period than three months, the tenant is entitled to deduct the amount paid for the poor rate from his rent, the landlord being bound to allow the deduction. If the tenancy exceeds three months, but the tenant is not in occupation for the whole period for which the poor rate is made, he is only responsible for the part of the poor rate which is proportionate to the time during which he has been in occupation.

Stamps.—Where a lease is made of a dwelling-house or any part thereof for a definite period not exceeding one year, and the rent does not exceed £10 per annum, the stamp duty is 1*d*. If the premises let are a furnished dwelling-house or apartments, the rent of which does not exceed £25 per annum, and the term is definite and less than one year, the stamp duty is 5*s*. In all other cases the duty is calculated as follows:—

	For a period not exceeding 35 years. £ *s.* *d.*	*Between 35 years and 100 years.* £ *s.* *d.*	*Exceeding 100 years.* £ *s.* *d.*
When the rent does not exceed £5 a year	1 0	6 0	12 0
Exceeds £5, and does not exceed £10	2 0	12 0	1 4 0
Ditto £10, Ditto £15 . . .	3 0	18 0	1 16 0
Ditto £15, Ditto £20 . . .	4 0	1 4 0	2 8 0
Ditto £20, Ditto £25 . . .	5 0	1 10 0	3 0 0
Ditto £25, Ditto £50 . . .	10 0	3 0 0	6 0 0
Ditto £50, Ditto £75 . . .	15 0	4 10 0	9 0 0
Ditto £75, Ditto £100	1 0 0	6 0 0	12 0 0
Ditto £100, for every fractional part of £50	10 0	3 0 0	6 0 0

Agreements for leases not exceeding thirty-five years are stamped as leases.

Holding Over.—If a tenant for life or years contumaciously disregards his landlord's written requirements to give up the premises, and wrongfully holds over, he will be liable to pay compensation at the rate of double the yearly value of the premises. This does not apply to weekly tenancies, and it has been doubted whether it applies to quarterly tenancies. In the calculation of the double value only the land and its appurtenances are included. If a tenant holds over after he has himself given notice, he will be liable to pay compensation at the rate of double the yearly rent. This applies to tenancies of all kinds.

LARBOARD. (Fr. *Bâbord*, Ger. *Backbord, linke Seite*, Sp. *Babor*, It. *Babordo.*)

This term was formerly applied to that side of a ship which is on the left hand of a person looking forward from the stern. The name "port" is now generally used instead of larboard.

LASCAR. (Fr. *Lascar*, Ger. *Lasker*, Sp. *Lascar*, It. *Lascaro, marinaio indiano.*)

This word is borrowed from the Hindu, properly signifying a camp-follower, but now commonly applied to a native Indian seaman, many of whom are employed in the English mercantile navy, especially that portion which trades in the Eastern seas.

LASTAGE. (Fr. *Lestage*, Ger. *Ballast*, Sp. *Lastre*, It. *Zavorra.*)

This is the name given to sand, gravel or ballast, when used for the purpose of keeping a ship steady in the water.

LAW MERCHANT, LEX MERCATORIA, OR LEX MERCATORUM. (Fr. *Code commercial*, Ger. *Handelsgesetz*, Sp. *Derecho mercantil*, It. *Legge mercantile.*)

In a general sense the law merchant signifies the usages and customs which regulate matters relating to commerce. Some of these were derived from the practices of foreign merchants, some from the Roman law, and others, especially those referring to maritime commerce, from various foreign codes. For many years the English courts refused to recognise these customs and usages; but in the seventeenth and the eighteenth centuries the efforts of Lord Holt and Lord Chief Justice Mansfield engrafted the law merchant upon the common law of England. In the case of *Goodwin* v. *Robarts*, 1875, L.R. 10 Ex., at p. 346, the following remarks were made in the course of the judgment: "The law merchant is sometimes spoken of as a fixed body of law, forming part of the common law, and, as it were, coeval with it. But, as a matter of legal history, this view is altogether incorrect. The law merchant thus spoken of with reference to bills of exchange and other negotiable securities, though forming part of the general body of the *lex mercatoria*, is of comparatively modern origin. It is neither more nor less than the usages of merchants and traders in the different departments of trade, ratified by the decisions of courts of law, which, upon such usages being proved before them, have adopted them as settled law with a view to the interests of trade and the public convenience, the court proceeding herein on the well-known principle of law that, with reference to transactions in the different departments of trade, courts of law, in giving effect to the contracts and dealings of the parties, will assume that the latter have dealt with one another on the footing of any custom or usage prevailing generally in the particular department. By this process, what before was usage only, unsanctioned by legal decision, has become engrafted upon, or incorporated into, the common law, and may thus be said to form part of it." In another case, Lord Campbell says: "When a general usage has been judicially ascertained and established, it becomes a part of the law merchant, which courts of justice are bound to know and recognise."

LAY DAYS. (Fr. *Jours de planche*, Ger. *Lade-* or *Liegetage*, Sp. *Dias de plancha*, It. *Stallie.*)

This is a term used in shipping to signify the number of days allowed for loading or unloading ships, as agreed upon by the owners and charterers, or the owners and freighters, as the case may be. The lay days commence as soon as the ship has been given permission to load or to discharge.

LAZARETTO. (Fr. *Lazaret*, Ger. *Lazarett*, Sp. *Lazareto*, It. *Lazzaretto.*)

A lazaretto is an establishment found in many foreign ports for the fumigation of goods landed from a ship in quarantine previous to the introduction into the markets. Passengers as well as their baggage are at times subjected to a process of fumigation, if they have come from ports which are under suspicion of being infected with contagious diseases.

LEAKAGE. (Fr. *Coulage*, Ger. *Gewichtsverlust*, Sp. *Merma*, It. *Abbuono o diffalco per colamento.*)

In commerce, an allowance made on liquids for what may be lost by leaking.

LEASE. (Fr. *Bail*, Ger. *Pacht*, *Pachtbrief*, Sp. *Arriendo*, *contrato de arriendo*, It. *Contratto di fitto*, *scrittura di fitto.*)

Either a grant of land or tenements for a fixed period, or for life, by one person called the lessor, to another called the lessee, or the document which sets out the terms of the same. Every lease which is made for a longer period than three years must be made by deed. An under-lease is a letting by a person who himself holds the land or tenements under a lease. (See *Landlord and Tenant.*)

LEASEHOLD. (Fr. *Tenure à bail*, Ger. *Pachtgut*, Sp. *Contrato de arrendamento*, *propiedad arrendata*, It. *Proprieto tenuta in affitto.*)

The lands or tenements which are held under a lease. Leaseholds are personal estate, irrespective of the length of the term. They are subject, however, on the death of the lessee to succession, and not to legacy, duty.

LEDGER. (Fr. *Grand livre*, Ger. *Hauptbuch*, Sp. *Libro mayor*, It. *Mastro*, *libro mastro.*)

This is the principal book of accounts employed by merchants and others in book-keeping by double entry. In it the whole of the entries recorded in all the other books are summarised and classified for the purpose of ready reference. The act of transferring the various entries from other books is called "posting" the ledger.

LEEMAN'S ACT. This is the name given to an Act of Parliament, passed in 1867, by which it was enacted that all contracts and agreements for the sale of shares or stock in any banking company of the United Kingdom, exclusive of the Banks of England and Scotland, should be null and void, unless the distinguishing numbers of such shares or stock are set forth in the contracts or agreements, and, in the absence of such distinguishing numbers, the person or persons in whose name or names the shares or stock are or is registered. It has been the custom of the Stock Exchange to treat this Act as a dead letter, but it has been declared by the courts, quite recently, to be of full force.

LEEWARD. (Fr. *Sous le vent*, Ger. *leewärts*, Sp. *Sotavento*, It. *Sottovento.*)

This is the side of the ship facing the quarter towards which the wind is blowing.

LEGACY. (Fr. *Legs*, Ger. *Legat*, Sp. *Legado*, It. *Legato.*)

A gift of personalty made by will is known as a legacy.

Legacies are of three kinds:—

(*a*) General, when payable out of the general assets of the testator.

(*b*) Specific, when a particular or specific part of the personalty of the testator is bequeathed.

(*c*) Demonstrative, when the testator has indicated a particular fund out of which the legacy is to be paid. If the particular fund has ceased to exist at the death of the testator a demonstrative legacy becomes a general one.

These distinctions are of great importance. In the administration of assets the order of the application of a legacy depends upon whether it is considered to be general or specific; so that upon the construction put upon it in this respect, the question as to whether the legatee shall enjoy it or not may wholly rest. In this respect the position of a specific legatee is more advantageous than that of a person whose legacy is general. But in another respect the contrary is the case. Thus, if after a testator has given a specific legacy the thing specifically given ceases to exist, or ceases to belong to the testator, the legacy is held to be adeemed. The legatee loses the entire benefit of it, and cannot claim compensation out of the general estate. A general legacy, on the other hand, is not liable to ademption. It is payable out of any and every part of the assets not required for the payment of debts, and not specifically disposed of; and all general legacies, in the case of an insufficiency of assets, are payable *pari passu*, unless the testator has given to some a priority over others.

Another important division of legacies is into vested and contingent. This will depend upon the wording of the will, for if the testator has made it clear that it is his desire that the legatee should have the legacy in any event, though the time of enjoyment is postponed, and the legatee dies before that date arrives, the legacy is vested and therefore payable to the administrators of the legatee. But if the gift is purely contingent upon the legatee attaining a certain age, or upon the happening of a certain event, then the legacy is a contingent one, and unless the condition is fulfilled the legacy will not go to the administrators of the legatee.

A legacy will lapse if the legatee dies in the lifetime of the testator, even though the bequest is made to the legatee, his executors, administrators, and assigns. The lapsed legacy will fall into the residue of the estate, and the

property comprised in it will become the property of the residuary legatee. If it is the residuary legatee who dies before the testator, the lapse of his share creates an intestacy as to that amount.

There is an exception to this rule as to lapse when the legatee is a child or other issue of the testator. It has been provided by the Wills Act, 1837, that in such a case the children or issue of the legatee, if there are any, shall not suffer by the death of the legatee during the lifetime of the testator, but that, unless there is a contrary intention expressed in the will, the intended legacy shall take effect as if the death of the intended legatee had happened immediately after the death of the testator.

At common law there was no right of action against an executor to recover legacies unless the executor had assented to them. If payment of a legacy was withheld recourse was had to equity, and proceedings are now taken in the Chancery Division. If the value of the estate of the testator does not exceed £500, proceedings may be taken in the proper county court.

Specific legacies are payable and interest thereon runs from the death of the testator, from which time also dividends accrue to the legatee. General legacies, on the contrary, unless otherwise provided by the testator, are not payable until the expiration of twelve months after his decease, and only carry interest for that time. But if the testator has expressed an intention as to either the acceleration or the postponement of payment, interest is payable from the directed time of payment. There are a few exceptions to this rule. Thus, where a legacy is given in satisfaction for a debt, the legacy is payable and carries interest from the death. Again, where a parent bestows a legacy upon an infant, interest will generally be allowed from the death by way of maintenance, unless there is a special fund provided for that purpose. Demonstrative legacies resemble general legacies as to both time of payment and interest. The rate of interest is generally four per cent.

Subject to a few exceptions, legacy duty is payable upon all bequests of personalty made by a testator who is domiciled in the United Kingdom at the time of his death. The duty is also payable upon *donationes mortis causâ*, upon profits derived from the management of the deceased's estate, when expressly conferred by the will, and upon releases from debts due to the testator. Formerly legacy duty was divided into five distinct classes, according to the degree of relationship, but now the rates of duty, subject to certain exceptions, which are set out in the Finance Act, 1909-10, are, generally speaking, as follows:—

	Per cent.
Husband or wife, or lineal ancestors or descendants of the testator .	1
Brothers and sisters of the testator, or their descendants	5
Any other person	10

Exemptions from the payment of legacy duty were granted in numerous cases before the passing of the Finance Act, 1909-10, but they are now on the same footing as exemptions under succession duty. The following are also exempt:—

(*a*) On legacies for the benefit of the Royal Family.

(*b*) On specific, but not pecuniary, legacies under the value of £20.

(*c*) When the total value of the personalty does not exceed £100.

(*d*) When the net value of the estate does not exceed £1,000, and estate duty has been paid.

(*e*) On books, prints, and specific articles given to a public body for preservation and not for sale, and also on plate, furniture, and similar things, not yielding income, given to different persons in succession. The duty becomes payable whenever the property passes to a person who is the absolute owner.

The burden of paying the legacy duty falls on the legatee, unless the will provides otherwise, and a failure to do this renders the defaulter liable to heavy penalties.

LEGAL DAY. (Fr. *Jour légal*, Ger. *gesetzlicher Tag*, Sp. *Dia legal*, It. *Giorno legale.*)

A legal day is the whole of the day, continuing up to midnight. When there is an obligation to do a certain thing by a fixed day, the whole day must pass before there can be default. For example, if rent is payable on a quarter day, it is not in arrear until the day following.

LEGAL QUAY. (Fr. *Quai de douane*, Ger. *Zollkai*, Sp. *Muelle de aduana*, It. *Molo della dogana.*)

This is a wharf which is licensed by the customs to land and store bonded goods.

LEGAL TENDER. (Fr. *Monnaie légale*, Ger. *gesetzliches Zahlmittel*, Sp. *Moneda corriente*, It. *Moneta legale.*)

This is such money as a creditor is obliged to receive in requital of a debt expressed in terms of money of the realm. By the Coinage Act of 1870 the following are declared to be legal tender in the United Kingdom:—

(1) Gold coins up to any amount.

(2) Silver coins up to two pounds.

(3) Bronze coins (pence and half-pence) up to one shilling.

"In England and Wales (but not in Ireland or Scotland) Bank of England notes payable to bearer on demand are a legal tender for any sum above £5, so long as the bank continues to pay its notes in legal coin, except at and by the bank itself or its branches. The bank in London is bound, on presentation, to pay the holder of any of its notes in money; its branches are bound to pay in money only such notes as are made specially payable at the branch where the note is presented for payment."

It will be noticed that a £5 note is not a legal tender for a debt of £5, though quite good as such if used in part payment of a debt exceeding that amount.

The gold coinage of colonial mints is made legal tender in any part of the British dominions by Royal Proclamation. (See *Tender*.)

During the Great War which began in 1914, gold was practically withdrawn from circulation, and its place was taken by one pound and ten shilling notes.

LESSEE. (Fr. *Preneur d'un bail*, Ger. *Mietmann*, *Pächter*, Sp. *Arrendatario*, *arrendado*, It. *Pigionale*, *inquilino*, *locatario*.)

This is the person to whom a lease is granted. (See *Landlord and Tenant*.)

LESSOR. (Fr. *Bailleur*, Ger. *Verpachter*, Sp. *Arrendador*, It. *Affittatore*, *appigionante*.)

This is the usual name given to the person who grants a lease. (See *Landlord and Tenant*.)

LETTER OF ALLOTMENT. (Fr. *Lettre de répartition*, Ger. *Zuteilungsbrief*, Sp. *Carta de repartición*, It. *Lettera di assegnazione*, *lettera di ripartizione*.)

This is a letter issued in answer to a letter of application for a portion of a public loan, or for shares in a commercial undertaking, informing the applicant that a certain amount has been placed in his name. Letters of allotment must be stamped—

Less than £5 . . .	1*d*.
£5 and upwards . . .	6*d*.

LETTER OF ATTORNEY. (See *Attorney, Power of*.)

LETTER OF CREDIT. (Fr. *Lettre de crédit*, Ger. *Kreditbrief*, Sp. *Carta de crédito*, It. *Lettera di credito o credenziale*.)

A letter of credit is an order given by a banker or other person, at one place, to his agent in another place, authorising the latter to pay to a particular individual a certain sum of money. Owing to its vagueness a letter of credit is not a negotiable instrument, and therefore payment can only be legally demanded by the person who is named in it.

LETTER OF HYPOTHECATION. (Fr. *Lettre hypothécaire*, Ger. *Verpfändungsbrief*, Sp. *Carta hipotecaria*, It. *Lettera ipotecaria*.)

This is a letter which is given to a banker by the owner of goods contained in a bill of lading, when the banker advances money against the goods. This letter gives the banker a lien on the goods, although the property still remains in the borrower.

LETTER OF INDEMNITY. (Fr. *Garantie d'indemnité*, Ger. *Schadloshaltungsbürgschaft*, Sp. *Garantía de pérdida*, It. *Garanzia d'indennità*.)

This is a written indemnity whereby a person, who signs and issues the document, undertakes to guarantee the person to whom it is addressed and delivered from loss or damage which may arise on the happening or the failure of a particular event, or on the performance or non-performance of a specified event. (See *Guarantee*.)

LETTER OF INTRODUCTION. (Fr. *Lettre d'introduction*, Ger. *Empfehlungsbrief*, Sp. *Carta de recomendación*, It. *Lettera d'introduzione o commendatizia*.)

This is a letter addressed to a correspondent at a distance, introducing the bearer, and requesting a favourable reception for him.

LETTER OF LICENCE. (Fr. *Permis*, *licence*, Ger. *Licenz*, *Moratorium*, Sp. *Escritura moratoria*, *carta de espera*, It. *Moratoria*.)

A letter of licence is an agreement signed by the creditors of an insolvent or embarrassed trader, permitting him, or some other person, to carry on the business for a certain time without first satisfying their claims, and undertaking not to molest him until the time agreed upon has expired.

LETTER OF MARQUE (or MART). (Fr. *Lettre de marque*, Ger. *Kaperbrief*, Sp. *Carta de marca*, It. *Lettera di marca*.)

This was a species of licence granted by a belligerent Government to the owner or owners of any private ships, commissioning them to attack and to seize the ships and the property of the

enemy. By strict international law there is no longer any right to issue such letters.

LETTER OF REGRET. (Fr. *Lettre de regret*, Ger. *Ablehnungsbrief*, Sp. *Carta de sentimiento*, It. *Lettera di rincrescimento.*)

This is a communication sent to unsuccessful applicants for shares in a loan or a newly-formed joint-stock company, expressing the regret of the directors that no shares have been allotted to them. The deposit required to be made on application is returned with the letter of regret.

LETTER OF RENUNCIATION. (Fr. *Lettre de renoncement*, Ger. *Verzichtleistung*, Sp. *Carta de renunciación*, It. *Lettera di rinuncia.*)

A letter of renunciation is one which is sometimes sent with a letter of allotment, by signing which the allottee can renounce his right to the allotment.

LETTERS OF ADMINISTRATION. (Fr. *Droit d'administrer la succession*, Ger. *Verwaltungsrecht*, Sp. *Derecho de administración*, It. *Diritto di amministrazione.*)

When a person dies without having made a will, or without having nominated any person or persons to act as executor or executors, application must be made either at Somerset House or at one of the District Probate Registries for authority to act in the distribution of the effects of the deceased. This authority is given by a grant of letters of administration. (See *Executor.*)

LETTERS PATENT. (Fr. *Lettres patentes, brevet d'invention*, Ger. *Patent, Privilegium*, Sp. *Letras patentes*, It. *Lettere patenti, brevetto d'invenzione.*)

This term is applied to the Government document conferring a patent or authorising a person to enjoy some special privilege for a specified time. The document is so called from *litterae patentes*, open letters, being addressed to the nation at large. (See *Patent.*)

LEVANT TRADE. (Fr. *Commerce du Levant*, Ger. *Levantischer Handel*, Sp. *Comercio del Levante*, It. *Commercio del Levante.*)

This term refers to the trade which is carried on with Turkey and the neighbouring countries.

LEX MERCATORIA. (See *Law Merchant.*)

LIABILITIES. (Fr. *Passif*, Ger. *Verbindlichkeiten*, Sp. *Pasivo*, It. *Passivo, passività, responsabilità.*)

The word "liabilities" signifies the obligation of any person, firm, or company under any contract or contracts entered into by them. The word is most commonly used to express indebtedness, and therefore is generally confined to the total amount of money owing by one person to another or others.

For the purposes of the Bankruptcy Act, 1914, liability is defined as "any compensation for work or labour done, any obligation or possibility of an obligation to pay money or money's worth on the breach of any express or implied covenant, contract, agreement, or undertaking, whether the breach does or does not occur, or is or is not likely to occur, or capable of occurring before the discharge of the debtor, and generally it shall include any express or implied engagement, agreement, or undertaking to pay, or capable of resulting in the payment of money or money's worth, whether the payment is, as respects amount, fixed or unliquidated; as respects time, present or future, certain or dependent on any one contingency, or on two or more contingencies; as to mode of valuation, capable of being ascertained by fixed rules, or as matter of opinion."

LIEN. (Fr. *Gage, droit de rétention*, Ger. *Pfandrecht*, Sp. *Derecho de detención*, It. *Pegno.*)

Lien may be divided into three main classes: (*a*) possessory, (*b*) maritime, (*c*) equitable.

A possessory lien signifies the right of a person, who has possession of the goods of another, to retain such possession until a debt due to him has been paid.

Possessory liens may be either particular or general.

A particular lien is a right which arises in connection with the goods as to which the debt arose. The most common instances are those of a carrier, who can retain the goods delivered to him for carriage until his charges are paid; an innkeeper, who can detain the goods of his guest; a tradesman or labourer, who is not bound to give up goods upon which he has expended labour unless he is rewarded for the same, and a warehouseman, who is entitled to recompense for the trouble to which he has been put. But in addition to these liens, which are implied by law, the owner of goods and the possessor may create a particular lien over the same by express agreement between themselves.

A general lien, which arises from custom or contract, is a right to detain

goods not only for debts incurred in connection with them, but also for a general balance of account between the owner and the possessor. The most common instances of general lien are those of factors, bankers, wharfingers, solicitors, and, in some instances, insurance brokers.

A possessory lien, to whichever class it belongs, does not give the possessor any right to deal with the goods except such as belongs to the possessor merely. Thus he has no right of sale. This is, however, subject to any special agreement between the parties.

A lien is lost or extinguished if the possessor agrees to give credit to the owner for the amount due, or if he agrees to accept some other security for the debt due to him. A surrender of possession naturally destroys the lien, except in the case of the unpaid seller of goods, who may retake possession by exercising the right of stoppage *in transitu*.

Maritime lien is independent of possession. It is a peculiar right which attaches to a ship in connection with a liability arising out of an adventure at sea, and attaches to the ship wherever she may be. It is enforceable by arrest and sale, if necessary, at the instance of the Admiralty Court. In addition to liens arising out of salvage and bottomry bonds there are those which attach for damages through collision, seamen's wages, payments made by the master on account of the ship, and the services of pilots.

An equitable lien has nothing to do with possession, but is a right to have a specific portion of property dealt with in a particular way for the satisfaction of specific claims.

LIFE ANNUITY. (Fr. *Rente viagère*, Ger. *Lebensrente*, Sp. *Renta vitalicia*, It. *Rendita annua vitalizia.*)

A life annuity is one that is paid to a person during life, but which is to cease on the death of the annuitant.

LIFE ESTATE. (Fr. *Propriété viagère*, Ger. *unvererbliche Güter*, Sp. *Propiedad vitalicia*, It. *Rendita vitalizia.*)

This is an estate or interest held for the term of the life of the holder, or of another person (*par autre vie*). The holder is called the tenant for life, and owing to the settlements that prevail among landowners, it is possible that more of the land in England is held by tenants for life than by any other class.

Until the passing of the Settled Land Acts, especially those of 1877, 1882, and 1890, a tenant for life was almost entirely prevented from dealing with the life estate, or the produce of it, except in so far as the provisions of the settlement under which he held gave him special powers. By these Acts, however, a very considerable change has been made in the law. The policy of the whole of them is to keep the capital amount representing the value of the land intact, but otherwise to allow the tenant to enjoy as far as possible the powers and privileges of any other holder of land, and under certain conditions even to sell or to exchange the estate. What these powers are and the manner in which they are to be exercised, must be gathered from the Acts themselves.

LIFE INSURANCE. (Fr. *Assurance sur la vie*, Ger. *Lebensversicherung*, Sp. *Seguro sobre la vida*, It. *Assicurazione sulla vita.*)

"A contract by which the insurer, in consideration of certain payments, either in a gross sum, or by annual payments, undertakes to pay to the person for whose benefit the insurance is made, a certain sum of money or annuity, on the death of the person whose life is insured." This is the definition given in Smith's *Mercantile Law*. The late Sir George Jessel defined it as "a purchase of a reversionary sum in consideration of a present payment of money, or, as is generally the case, of the payment of an annuity during the life of the party insuring."

The forms of life insurance are very numerous, and novel methods are being continually introduced, owing to the competition between various companies. One of the most favoured methods is the system of endowment policies, by which it is stipulated that the payment of the policy money shall be made either on the death of the person insured, or after the lapse of a specified number of years, whichever shall first happen. The premium is naturally much higher in the case of endowment policies than in that of ordinary policies, and varies inversely as the number of years after which the insurance money becomes payable.

The person effecting the insurance must have an insurable interest (*q.v.*) in the life insured. Every man is presumed to have an insurable interest in his own life, and since life insurance is not a contract of indemnity, there is no limit to the amount for which an insurance on his own life can be made by himself.

Before a policy of life insurance is granted to the insured, a proposal form has to be filled up. This consists of a number of inquiries as to the life, habits, and antecedents of the proposer. The answers must be made with the greatest care, because the proposal form is regarded as a part of the policy, and since the contract is one of the class known as *uberrimae fidei*, any misstatements may render the policy void. The risks insured against are set out in the policy itself, also the time during which the contract is to remain in force, the names of the parties and the amount of the insurance, and the method of payment of the premium. It is a common custom for insurance offices to allow a certain number of days of grace for the payment of any instalment of the premium. This does not follow as a matter of course, and a clause to this effect should be inserted in the policy if the insured wishes to rely upon it. As in every other contract evidenced by writing the utmost care should be taken to see that all the desired terms are inserted in the policy, since evidence to vary the policy is not admissible.

Stamping.—Policies of life insurance must be stamped as follows:—

	s.	d.
Where the sum insured does not exceed £10	0	1
Exceeds £10, but does not exceed £25	0	3
Exceeds £25, but does not exceed £500, for every £50 or fractional part thereof . . .	0	6
Exceeds £500, but does not exceed £1,000, for every £100 or fractional part thereof . . .	1	0
Exceeds £1,000, for every £1,000 or fractional part thereof . .	10	0

This does not apply to insurances of lives against accidents, for which the stamp duty is one penny.

Assignment of Policies.—By the common law a policy of insurance, being a *chose in action*, could not be assigned or transferred to a person who was not a party to the contract. But by an Act passed in 1867, a life policy can now be assigned, either by indorsement of the policy or by a separate instrument, and the assignee can sue in his own name without showing that he possesses any personal interest. A written notice of the assignment must be given to the insurance office, and the insurer must, upon receiving notice, give a certificate acknowledging the receipt. The policy specifies the place of business to which the notice must be sent.

This power of assignment enables a person to effect an insurance upon his own life and then to transfer the policy to another person for the latter's benefit, when the same thing could not be carried out directly owing to the absence of "insurable interest."

The assignee takes the policy subject to all the equities, that is, he can be met in an action upon the policy by any of the defences which would be available against the assignor.

Income Tax and Life Insurance.—Under the Income Tax Acts every person is entitled to an abatement of income tax in respect of payments made as premiums on life insurance or on a deferred annuity on his own life, or the life of his wife, to the extent of not more than one-sixth of his income, provided that the rate of premium for the insurance does not exceed 7 per cent. of the sum payable at death, and that as regards any premium for any other benefits the total abatement does not exceed £100.

LIFE INSURANCE COMPANIES ACTS, 1870-72. These were three Acts regulating the conditions under which life insurance companies were permitted to commence business, differing from those which regulate ordinary joint-stock companies. The following were the most important:—

(1) Every life insurance company established after August 9, 1870, and every company commencing to carry on the business of life insurance after that date, must, if it carries on business within the United Kingdom, deposit £20,000 in the Chancery Division, and no certificate of incorporation can be issued until the deposit has been made.

(2) The deposit may be made by the subscribers of the memorandum of association of the company, or by any of them, in the name of the proposed company, and the deposit is deemed, upon the incorporation of the company, to have been made by and to be a part of the assets of the company.

(3) The deposit is invested by the court, and the income is paid to the company.

(4) The deposit is returnable as soon as the life insurance fund of the company, accumulated out of premiums, amounts to £40,000.

(5) Where a company carries on other business besides that of life insurance, a separate account must be kept of all receipts in respect of the life insurance and annuity contracts of the

company. The receipts must form a separate fund, called the life insurance fund of the company, and it must be as absolutely the security of the life policy-holders and the annuity-holders as though the company carried on no other business than that of life insurance.

(6) Life insurance companies are required to make annual statements of accounts, and to report, at frequent intervals, on their financial condition. Printed copies of the accounts and reports must be furnished to the shareholders and policy-holders of the company when required.

(7) An amalgamation of two or more life insurance companies cannot be effected without the sanction of the court upon petition. No sanction will be given if policy-holders to the extent of one-tenth of the total amount assured refuse their consent to the proposed amalgamation.

(8) A life insurance company may be wound up on the application of one or more policy-holders on proof of its insolvency. The court, in determining whether the company is or is not insolvent, takes into account its contingent or prospective liabilities under policies, annuities, or other contracts, and no hearing is granted unless security for costs is given and a *primâ facie* case made out to the satisfaction of the judge.

The following rules are given for calculating the values of annuities and policies:—

"An annuity shall be valued according to the tables used by the company which granted such annuity at the time of granting the same, and where such table cannot be ascertained or adopted to the satisfaction of the court, then according to the table known as the Government Annuities Experience Table, interest being reckoned at the rate of 4 per cent. per annum.

"The value of a policy is to be the difference between the present value of the reversion in the sum assured on the decease of the life, including any bonus or addition thereto made before the commencement of the winding-up, and the present value of the future annual premiums. In calculating such present value the rate of interest is to be assumed as being 4 per cent. per annum, and the rate of mortality as that of the tables known as the Seventeen Offices Experience Tables. The premium to be calculated is to be such premium as, according to such rate of interest and rate of mortality, is sufficient to provide for the risk incurred by the office in issuing the policy, exclusive of any addition thereto for office expenses and other charges."

(9) When a life insurance company transfers its business to another company, or amalgamates with one or more insurance companies, no policy-holder in the first company is presumed to have abandoned any of his rights or claims against that company by reason of the payment of premiums to the new company, or to have accepted the liability of the new company in place of the liability of the old company, unless he has signified the same by some document in writing signed by himself or by his lawful agent.

These salutary provisions were extended by various statutes to other kinds of insurance, but the above Acts, as well as the extending Acts, have now been repealed. In their place the Assurance Companies Act, 1909, has been passed, of which the most important sections are the following:—

1. This Act should apply to all persons or bodies of persons, whether corporate or unincorporate, not being registered under the Acts relating to friendly societies or to trade unions (which persons and bodies of persons are hereinafter referred to as assurance companies) whether established before or after the commencement of this Act, and whether established within or without the United Kingdom, who carry on within the United Kingdom assurance business of all or any of the following classes—

"(*a*) Life assurance business; that is to say, the issue of, or the undertaking of liability under, policies of assurance upon human life, or the granting of annuities upon human life;

"(*b*) Fire insurance business; that is to say, the issue of, or the undertaking of liability under, policies of insurance against loss by or incidental to fire;

"(*c*) Accident insurance business; that is to say, the issue of, or the undertaking of liability under, policies of insurance upon the happening of personal accidents, whether fatal or not, disease, or sickness, or any class of personal accidents, disease, or sickness;

"(*d*) Employers' liability insurance business; that is to say, the issue of, or the undertaking of liability under, policies insuring employers against liability to pay compensation or damages to workmen in their employment;

"(*e*) Bond investment business, that

is to say, the business of issuing bonds or endowment certificates by which the company, in return for subscriptions payable at periodical intervals of two months or less, contract to pay the bondholder a sum at a future date, and not being life assurance business as hereinbefore defined;

"Subject as respects any class of assurance business to the special provisions of this Act relating to business of that class."

A company registered under the Companies Acts which transacts assurance business of, say, such class as aforesaid in any part of the world shall, for the purposes of this provision, be deemed to be a company transacting such business within the United Kingdom.

2.—"(1) Every assurance company shall deposit and keep deposited with the Paymaster-General for and on behalf of the Supreme Court the sum of £20,000.

"(2) The sum so deposited shall be invested by the Paymaster-General in such of the securities usually accepted by the court for the investment of funds placed under its administration as the company may select, and the interest accruing due on any such securities shall be paid to the company.

"(3) The deposit may be made by the subscribers of the memorandum of association of the company, or any of them, in the name of the proposed company, and, upon the incorporation of the company, shall be deemed to have been made by, and to be part of the assets of, the company, and the registrar shall not issue a certificate of incorporation of the company until the deposit has been made.

"(4) Where a company carries on, or intends to carry on assurance business of more than one class, a separate sum of £20,000 shall be deposited and kept deposited under this section as respects each class of business, and the deposit made in respect of any class of business in respect of which a separate assurance fund is required to be kept shall be deemed to form part of that fund, and all interest accruing due on any such deposit or the securities in which it is for the time being invested shall be carried by the company to that fund.

"(5) The Paymaster-General shall not accept a deposit except on a warrant of the Board of Trade.

"(6) The Board of Trade may make rules with respect to applications for warrants, the payment of deposits, and the investment thereof or dealing therewith, the deposit of stocks or other securities in lieu of money, the payment of the interest or dividends from time to time accruing due on any securities in which deposits are for the time being invested, and the withdrawal and transfer of deposits, and the rules so made shall have effect as if they were enacted in this Act, and shall be laid before Parliament as soon as may be after they are made."

These first two sections are quoted with the object of showing the means devised by the legislature for securing the financial stability of various kinds of insurance companies. As to the special provisions of the Act in connection with returns, balance sheets, reports, etc., the reader must consult the statute at first hand.

LIFE INTEREST. (Fr. *Viager*, Ger. *Niessbrauch*, Sp. *Renta vitalicia*, It. *Vitalizio.*)

This is the beneficial interest in land or other property to last during the life of the beneficiary or some other person.

LIGAN. (See *Lagan.*)

LIGHT DUES. (Fr. *Droits de phare*, Ger. *Leuchtgelder*, Sp. *Derechos de faros*, It. *Diritti di faro.*)

Light dues are tolls levied on a ship by the Board of Trinity House to maintain the lights, beacons, buoys, and other contrivances shown for the guidance of navigators round the British coasts and estuaries.

LIGHTER. (Fr. *Gabare*, Ger. *Lichter*, *Leichterschiff*, Sp. *Gabarra*, It. *Chiatta, barca, barcone da trasporto.*)

A lighter is a large open boat used in loading and unloading ships and carrying goods.

LIGHTERAGE. (Fr. *Prix de transport par eau, frais d'allège*, Ger. *Lichtergeld*, Sp. *Gabarraje*, It. *Spese di scaricamento della nave con chiatte, alleggio.*)

This is the price paid for conveying goods by means of lighters.

LIGHTERMAN. (Fr. *Gabarier*, Ger. *Lichterleute, Auslader*, Sp. *Gabarrero*, It. *Barcaiuolo, scaricatore, navalestro.*)

This word means:—

(1) A man who is engaged in the navigation of lighters or barges.

(2) The owner of a number of lighters, carrying on business with them in conveying goods.

LIMIT. (Fr. *Limite*, Ger. *Limitum*, Sp. *Limite*, It. *Limite.*)

A limit is the fixed price given by a client to his broker for the purchase or sale of any securities or saleable commodities.

LIMITATIONS, STATUTES OF. (Fr. *Loi de prescription*, Ger. *Verjährungsrecht*, Sp. *Estatuto de limitaciones*, It. *Prescrizione*)

These are statutes stating the law which fixes the limits of time within which actions may be brought. There are three principal statutes on the subject, passed in 1623, 1833, and 1874, but there are also several sections of the Mercantile Law Amendment Act, 1856, which have special reference to the limitation of actions. The first two deal with contracts generally, both simple and specialty, that of 1874 only with land.

In the case of a simple contract an action must be commenced within six years of the time when the cause of action arose, while twenty years are allowed for a contract under seal. There is an extension of time provided the plaintiff or the defendant is an infant or an insane person, as no action can be taken personally by or against either of them until the attainment of majority, or the recovery of sanity, as the case may be, by the party himself. If the defendant is beyond the seas, or out of the jurisdiction, when the cause of action arises, the period of limitation begins to run from the date of his return. But if the cause of action arises, and the defendant then goes out of the jurisdiction, the statute runs, and his departure makes no difference. Without an acknowledgment by which the debt can be kept alive, the only course open to the plaintiff is to issue a writ, and renew it continually until it has been served on the defendant.

An acknowledgment of a debt, either by part payment of the debt, by payment of interest, or by a confession of the same, is sufficient to keep the debt alive and to destroy the effect of the statute. Part payment and payment of interest are matters of fact to be proved in the usual way. But the confession of the existence of a debt must, since the passing of Lord Tenterden's Act, 1828, be in writing and signed by the debtor. The acknowledgment must be distinct and unconditional in its terms. The six years or the twenty years, as the case may be, will then begin to run from the date of the acknowledgment. If there are several joint debtors there must be an acknowledgment by each in order to keep the debt alive against the whole. The contrary is the case in a mortgage of land, the acknowledgment of one mortgagor being sufficient.

In the case of an ordinary contract the statute does not bar the right, but only the remedy. Therefore an executor is entitled to pay a debt of the testator which is statute-barred. A defendant who intends to rely upon the defence of the statute must specially plead it, or he will not be heard upon this point at the trial of the action.

The Act of 1874, which deals exclusively with real property, not only bars the remedy, but also the right. The first section is as follows: "No person shall make an entry or distress, or bring an action or suit, to recover any land or rent but within twelve years next after the time at which the right to make such entry or distress, or to bring such action or suit, shall have first accrued to any person through whom he claims; or if such right shall not have accrued to any person through whom he claims, then within twelve years next after the time at which the right to make such entry or distress, or to bring such action or suit, shall have first accrued to the person making or bringing the same." The usual disabilities noticed above, viz., infancy and insanity, are privileged, but the utmost limit allowed is thirty years, notwithstanding the existence of one or more disabilities during the whole period. By the seventh section of the Act a mortgagor is barred at the end of twelve years from the time when the mortgagee took possession, or from the last written acknowledgment.

A judgment is statute-barred after twelve years.

Trustees were unable to claim the benefit of any Statute of Limitation until the passing of the Trustee Act, 1888. Now they are on the same footing as other people, provided that in the action in which the statute is pleaded the claim is not—

(1) Founded upon any fraud or fraudulent breach of trust to which the trustee was a party or privy; or

(2) To recover trust property, or the proceeds thereof, which is still retained by the trustee, or which has been previously received by him and converted to his use.

LIMITED. (Fr. *A responsabilité limitée, en commandite*, Ger. *mit beschränkter Haftpflicht* (*m. b. H.*), Sp. *Limitada, en comandita*, It. *In accomandita o a responsabilità limitata.*)

This is the last word in the name of a company registered under the Companies Acts. It must be used upon every document issued by the company, and

the name itself in full must be painted or affixed to the outside of every office or place where the company carries on its business, under the risk, if omitted, of heavy penalties. Moreover, if any director, manager, or officer signs or authorises the signature of a bill of exchange on behalf of the company, and the name of the company is not mentioned therein, he is personally liable upon the instrument unless it is paid by the company.

The word "limited" may, under section 20 of the Companies (Consolidation) Act, 1908, be dispensed with by leave of the Board of Trade, when an association is formed for the promotion of art, science, religion, charity, etc., and there is no intention on the part of the promoters that any portion of the funds of the association shall be devoted to any other purposes than the advancement of the objects of the association; and that no dividends shall be paid to the members. The licence is obtained on written application to the Board of Trade, the application being accompanied by a draft in duplicate of the proposed memorandum and articles of association. But just as it is illegal for a company to neglect to use the word limited, as already pointed out, so it is an offence for any improper use to be made of it. By section 282 of the Act of 1908 it is provided: "If any person or persons trade or carry on business under any name or title of which 'limited' is the last word, that person or those persons shall, unless duly incorporated with limited liability, be liable to a fine not exceeding five pounds for every day upon which that name or title has been used."

LIMITED AND REDUCED. (Fr. *À responsabilité limitée et réduite*, Ger. *reduziert*, Sp. *De responsabilidad limitada y reducida*, It. *A responsabilità limitata e ridotta.*)

When a company presents a petition to the court for leave to reduce its capital, and such leave is granted, the words "and reduced" are almost invariably ordered to be added to the designation of the company for a certain time, to be fixed by the court.

LIMITED ASSIGNS. (Fr. *Ayant droit limité, cessionnaires limités*, Ger. *beschränkte Cessionare*, Sp. *Cesionarios limitados*, It. *Cessionari limitati.*)

This phrase is often used in colliery and mining leases, and means those approved persons to whom the lessor or ground landlord will only allow the lessee to assign the lease.

LIMITED LIABILITY COMPANIES. (See *Companies, Limited Liability.*)

LIMITED PARTNERSHIP. (See *Partnership.*)

LINE. (Fr., *Ligne*, Ger. *Dampferlinie*, Sp. *Linea*, It. *Linea di navigazione.*)

This word is used as a collective name for a fleet of steamers trading to and from certain foreign ports beyond the seas.

LIQUIDATED DAMAGES. (Fr. *Dommages-intérêts*, Ger. *berechnete Entschädigung*, Sp. *Reclamaciones ajustadas*, It. *Danni liquidati.*)

These are the damages agreed upon between parties, or ascertained by some other method, to be paid in respect of a breach of contract. It is frequently specified in a contract that a certain sum shall be paid in case of non-performance. This may be either the real estimate of the damage, or the maximum of what may be claimed. In the latter case it is, in reality, a penalty, and the sum named cannot be recovered if it is clearly in the nature of a penal sum and far in excess of the real amount of the damages suffered.

LIQUIDATION. (Fr. *Liquidation*, Ger. *Liquidation*, Sp. *Liquidación*, It. *Liquidazione.*)

A liquidation is a course of settlement of the closing up of all business transactions, or the winding-up of any company or business. When a joint-stock company is being thus wound up it is said to be in liquidation.

LIQUIDATOR. (Fr. *Liquidateur*, Ger. *Liquidator*, Sp. *Liquidador*, It. *Liquidatore.*)

This is the person who is employed in adjusting and settling the affairs of an estate, or in winding-up a joint-stock company which is in liquidation. In each case his business is to realise the assets of the estate or company, to pay all the costs incidental to the work of liquidation, to meet the liabilities as far as the assets are concerned, and to distribute any balance that may remain amongst the parties entitled.

In the winding-up of companies the Official Receiver acts as liquidator until a person is specially appointed to take up the work, and the proper security has been given. His chief duties are set out under *Companies*. He is frequently assisted by a "committee of inspection," who can control him in all important matters, but in all the ordinary duties connected with the determination of the existence of the company, he is able to act on his own initiative.

The remuneration of the liquidator is generally fixed by the committee of inspection, and it is in the nature of a commission on the surplus amount of assets available for the shareholders, after deducting all the costs of the proceedings and the amounts payable to secured creditors out of their securities.

The above is a very concise summary of the position of a liquidator in the case of the winding-up of a joint-stock company. As the matter is one of great importance, however, it is necessary to consider the wording of section 151 of the Act of 1908 for a full appreciation of his duties as fixed by statute.

"(1) The liquidator in a winding-up by the court shall have power, in the case of a winding-up in England with the sanction either of the court or of the committee of inspection, and in the case of a winding-up in Scotland or Ireland with the sanction of the court—

(*a*) To bring or defend any action or other legal proceeding in the name and on behalf of the company:

(*b*) To carry on the business of the company, so far as may be necessary for the beneficial winding-up thereof:

(*c*) In the case of a winding-up in England, to employ a solicitor or other agent to take any proceedings or do any business which the liquidator is unable to take or do himself; but the sanction in this case must be obtained before the employment, except in cases of urgency, and in those cases it must be shown that no undue delay took place in obtaining the sanction:

(*d*) In the case of a winding up in Scotland or Ireland, to appoint a solicitor or law agent to assist him in the performance of his duties.

"(2) The liquidator in a winding-up by the court shall have power, but (subject to the provisions of this section) in the case of a winding-up in Scotland or Ireland only with the sanction of the court,—

(*a*) To sell the real and personal property, and things in action of the company by public auction or private contract, with power to transfer the whole thereof to any person or company, or to sell the same in parcels:

(*b*) To do all acts and to execute, in the name and on behalf of the company, all deeds, receipts, and other documents, and for that purpose to use, when necessary, the company's seal:

(*c*) To prove, rank, and claim in the bankruptcy, insolvency, or sequestration of any contributory, for any balance against his estate, and to receive dividends in the bankruptcy, insolvency, or sequestration in respect of that balance, as a separate debt due from the bankrupt or insolvent, and rateably with the other separate creditors:

(*d*) To draw, accept, make, and indorse any bill of exchange or promissory note in the name and on behalf of the company, with the same effect with respect to the liability of the company as if the bill or note had been drawn, accepted, made, or indorsed by or on behalf of the company in the course of its business:

(*e*) To raise on the security of the assets of the company any money requisite:

(*f*) To take out, in his official name, letters of administration to any deceased contributory, and to do in his official name any other act necessary for obtaining payment of any money due from a contributory or his estate which cannot be conveniently done in the name of the company; and in all such cases the money due shall, for the purpose of enabling the liquidator to take out the letters of administration or recover the money, be deemed to be due to the liquidator himself:

(*g*) To do all such other things as may be necessary for winding-up the affairs of the company and distributing its assets.

"(3) The exercise by the liquidator in a winding-up by the court in England of the powers conferred by this section shall be subject to the control of the court and any creditor or contributory may apply to the court with respect to any exercise or proposed exercise of any of those powers.

"(4) In the case of a winding-up in Scotland or Ireland the court may provide by any order that the liquidator may exercise any of the above powers, except the power to appoint a solicitor or law agent, without the sanction or intervention of the court.

"(5) Where a liquidator is provisionally appointed by the court, the court may limit and restrict his powers by the order appointing him.

"(6) In a winding-up by the court in Scotland the liquidator shall, subject to rules made under this Act, have the same powers as a trustee on a bankrupt's estate."

It is also advisable for any person who is appointed a liquidator in a winding-up to have the provisions of section 154 before him. The section is as follows:

"(1) Every liquidator of a company

which is being wound up by the court in England shall, in such manner and at such times as the Board of Trade, with the concurrence of the Treasury, direct, pay the money received by him to the Companies Liquidation Account at the Bank of England, and the Board shall furnish him with a certificate of receipt of the money so paid:

Provided that, if the committee of inspection satisfy the Board of Trade that for the purpose of carrying on the business of the company or of obtaining advances, or for any other reason, it is for the advantage of the creditors or contributories that the liquidator should have an account with any other bank, the Board shall, on the application of the committee of inspection, authorise the liquidator to make his payments into and out of such other bank as the committee may select, and thereupon those payments shall be made in the prescribed manner.

"(2) If any such liquidator at any time retains for more than ten days a sum exceeding fifty pounds, or such other amount as the Board of Trade in any particular case authorises him to retain, then, unless he explains the retention to the satisfaction of the Board, he shall pay interest on the amount so retained in excess at the rate of twenty per cent. per annum, and shall be liable to disallowance of all or such part of his remuneration as the Board may think just, and to be removed from his office by the Board, and shall be liable to pay any expenses occasioned by reason of his default.

"(3) A liquidator of a company which is being wound up by the court in England shall not pay any sums received by him as liquidator into his private banking account."

When the whole business of liquidation is completed and it has been ascertained that the accounts of the liquidator are in order, the liquidator is granted his release.

LIVERYMAN. (Fr. *Notable, électeur municipal*, Ger. *Zunftglied, Zunftgenoss*, Sp. *Concejal*, It. *Elettore comunale o municipale.*)

A freeman of the City of London, who is entitled to wear the livery, and to enjoy the other privileges of the company of which he is a member, is generally known under this name. The city companies are the modern successors of the guilds of the middle ages. Their establishment dates from the fourteenth century.

LLOYD AUSTRIAN. (Fr. *Lloyd autrichien*, Ger. *Osterreichischer Lloyd*, Sp. *Lloyd Austriaco*, It. *Lloyd Austriaco.*)

This was an association of merchants, corresponding to the English Lloyd's, founded at Trieste in 1839, by C. L. von Brück. It owned lines of steamships of much importance, which were mainly engaged in the Mediterranean and Levant trades. One of its departments was devoted to literary and scientific matters. It published the *Giornale del Lloyd Austriaco*, a journal which dates from 1835.

LLOYD NORTH GERMAN. (Fr. *Lloyd allemand*, Ger. *Nord-deutscher Lloyd*, Sp. *Lloyd Alemán*, It. *Lloyd della Germania settentrionale.*)

This was a large and important German company, formed for the purpose of owning and managing steam and other ships, and to trade with them to all parts of the world. The steamers owned by this company before the Great War were among the fastest and finest in the world.

LLOYD'S. (Fr. *Lloyd*, Ger. *Lloyds Bureau*, Sp. *Despacho, Escritorio del Lloyd*, It. *Uffici o locali del Lloyd.*)

This institution is so called from having its headquarters in Lloyd's Rooms. The members of the institution are devoted to the business of marine insurance, or matters subsidiary thereto.

Lloyd's obtained an Act of Incorporation in 1871, in spite of much opposition.

The objects of the institution are:—

(1) The carrying on of the business of marine insurance by members of the society.

(2) The protection of the interests of members in respect of shipping, cargoes, and freight.

(3) The collection, publication, and diffusion of intelligence and information.

In order to carry out its objects, Lloyd's employs a staff of more than 1,500 agents in various parts of the world, who make constant reports to headquarters.

By an Act passed in 1896, every master of a British ship is compelled, under a penalty of £5, to notify at once to the agent of Lloyd's at his next place of call, or if there is no agent then direct to the secretary of Lloyd's, the existence on the high seas of any floating derelict vessel. The information so received must then be published by Lloyd's in the same manner and to the same extent as reports are made of shipping casualties, and communicated to the Board of Trade.

Members of Lloyd's may be either

underwriting or non-underwriting members. There are, in addition, annual subscribers and associates. A candidate for membership must be recommended by six members, and afterwards elected by the committee by ballot. Subscribers and associates are allowed to recommend gentlemen for election to their own grades.

A deposit of securities to the amount of at least £5,000 is required from each person who wishes to become an underwriter at Lloyd's before he can commence underwriting risks himself; but many persons without the least training become members of Lloyd's after depositing £7,500 with the secretary and giving an extra security. These latter are not allowed by the committee to underwrite risks themselves until they have satisfied the committee that they have worked under an experienced underwriter, and acquired a certain knowledge of the business of taking risks. The object of these members is generally to become a "name" in an underwriting firm, for which a premium is necessary to such firm, relying upon the ability and skill of the firm to take no risks but those which are good, and to enter upon no hazardous and speculative insurances. To be a "name" in an underwriting firm at Lloyd's signifies that the underwriter allows his name to be put down for a certain amount, above the amount underwritten by the firm, on all insurances undertaken by them. The dividends derived from the investment of the deposit is paid to the underwriters.

In addition to an entrance fee, members elected since January 1, 1893, pay an annual subscription of twenty guineas, those elected before that date paying sixteen guineas only. The members who are not underwriters pay no deposit, but are charged an entrance fee, and an annual subscription of seven guineas. Subscribers pay an annual subscription of seven guineas, and associates of five guineas.

LLOYD'S BONDS. (Fr. *Obligations spéciales de Lloyd*, Ger. *Lloyds besondere Obligationen*, Sp. *Bonos particulares de Lloyd*, It. *Obbligazioni speciali del Lloyd.*)

These bonds were introduced to evade the provisions of the Railway Regulation Act, 1844, and derive their name from the name of the counsel who first settled the form of the bond. By the above-named Act a company is prohibited from borrowing more than an amount equal to two-thirds of its paid up capital. The bonds consist of ordinary promissory notes, bearing interest payable to bearer. As between the company and the first holder they are void, as commercial frauds, and the first holder, being a party to the fraud, cannot recover either principal or interest. But if a first holder possesses such a bond for value, the subsequent holder, being an innocent party, is entitled just as if it were an ordinary bill transaction, and this legal fiction is sustained by the courts.

LLOYD'S CERTIFICATE. (See *Lloyd's Registry.*)

LLOYD'S REGISTRY. (Fr. *Liste du Véritas*, Ger. *Lloyds Register*, Sp. *Registro del Lloyd*, It. *Registro del Lloyd, registro marittimo.*)

This is an establishment for the purpose of surveying and classing ships so as to afford to underwriters and others interested an independent guarantee of the quality and condition of ships offered for insurance or employment. The registry publishes annually *Lloyd's Register of British and Foreign Shipping*, a book containing the names and description of all British ships, and of such foreign ships as are classed in the register. Ships which are intended for classification are built under the inspection of Lloyd's surveyors, the owners paying certain fees for their admission to the register. To wooden and composite ships, that is to say, ships with iron frames and wooden planks, of the first class, the mark A is assigned, and the period for which this class is to be continued varies with the material used in the construction, from four to fifteen years, subject to certain periodical surveys made by the surveyors of the society. Ships built of iron or steel are marked A (in a circle over A), no number of years being assigned, and the ships are maintained in this class as long as their condition warrants it, this being ascertained by an annual survey. The numeral which follows the letter denoting the class indicates the quality and condition of the stores, rigging, sails, etc. Various other signs are used to indicate ships of the second, third, or lower classes.

The committee of Lloyd's Registry grant a certificate upon the result of their periodical survey of vessels, and this certificate states the class and condition of the vessel to which it is granted,

based upon the reports which have been sent in by the surveyors.

LLOYD'S ROOMS. (Fr. *Lloyd*, Ger. *Lloyds Bureau*, Sp. *Despacho escritorio del Lloyd*, It. *Lloyd.*)

Lloyd's rooms form a portion of the Royal Exchange and are devoted to the use of underwriters, shipping agents, and insurance brokers.

The name Lloyd's is derived from one Edward Lloyd, who kept a coffee-house in Tower Street, towards the end of the seventeenth century. In 1692 the coffee-house business was removed to Lombard Street. The house was always famous, owing to the fact that Lloyd, by means of his various correspondents at home and abroad, was able to supply the best and the latest news of the movements of vessels. In 1696 *Lloyd's News* was commenced, which was changed, in 1721, to *Lloyd's List*. From being a mere news centre, Lloyd's began to be used as a place for conducting marine insurance, a business which rapidly increased. In 1771 the brokers and underwriters frequenting the coffee-house removed to Pope's Head Alley, which was known as New Lloyd's; but two years later rooms were taken in the upper part of the Royal Exchange, and since then the business has been carried on there.

The business was amazingly successful from 1775 to 1815, during the forty years of war, and the name of Lloyd's became known all the world over.

Lloyd's Rooms have been described as "the focus and centre of the world's sea-borne trade and commerce."

LOADING IN TURN. (Fr. *Chargement régulier*, Ger. *Verladung der Reihe nach*, Sp. *Cargar á turno*, It. *Caricare a turno.*)

This charter-party term is used in coal and other trades, meaning that when several boats are waiting at a loading berth to be loaded, the loading of each is to commence according to and in the order of their arrival at the berth.

LOAN. (Fr. *Prêt*, Ger. *Anleihe*, Sp. *Préstamo*, It. *Prestito.*)

A loan is a sum of money lent by one person to another, and returnable with or without interest, according to arrangement.

LOCKAGE. This word may mean—

1. (Fr. *Les écluses*, Ger. *Schleusen*, Sp. *Esclusas*, It. *Chiusa, cateratta.*)

The locks of a canal.

2. (Fr. *Éclusée*, Ger. *Schleusenhöhe*, Sp. *Almacenado*, It. *Altezza della cascata della cateratta.*)

The difference in the levels of a canal.

3. (Fr. *Péage d'écluse*, Ger. *Schleusengeld*, Sp. *Derechos de almacenaje*, It. *Diritti di chiusa o cateratta.*)

The tolls paid for passing through locks.

LOCKER'S ORDERS. (Fr. *Bulletins de marchandises pour exportation*, Ger. *Exportscheine*. Sp. *Boletines de los generos para Exportar*. It. *Bollettini delle merci o derrate per esportazione.*)

These are printed copies on the reverse side of bond notes, which give full particulars of the goods to be exported.

LOCK-KEEPER. (Fr. *Éclusier*, Ger. *Schleusenwärter*, Sp. *Guarda almacen*, It. *Guardia o custode della chiusa.*)

The lock-keeper is the person who attends to the locks of a canal.

LOCK-OUT. (Fr. *Fermeture des ateliers*, Ger. *Aussperrung*, Sp. *Paro forzoso*, It. *Serrata.*)

This is the act of an employer, or a combination of employers, in preventing workmen from returning to their labour, owing to disputes as to the terms of employment between the masters and the men. When the men themselves refuse to return to their work their action is called a "strike."

LOCUM TENENS. (Fr. *Suppléant, substitut*, Ger. *Stellvertreter*, Sp. *Suplemento, substituto*, It. *Locum tenens, sostituto, supplente.*)

A *locum tenens* is a person who acts as a deputy or substitute for another.

LOCUS SIGILLI. (L.S.) The place for the seal. When copies of documents under seal are made the place where the seal has been affixed to the original is indicated by a circle containing the two letters L.S., thus:—

(L.S.)

LOG-BOOK. (Fr. *Livre de loch, journal*, Ger. *Logbuch*, Sp. *Cuaderno de bitácora*, It. *Giornale di bordo, registro del corso di una nave.*)

This is the book kept by the master of a ship in which he records the daily progress of the vessel, the state of the wind and weather, and any events of interest occurring during the voyage.

LOMBARD STREET. (Fr. *Principal centre banquier à Londres*, Ger. *Hauptbankstrasse in London*, Sp. *Centro principal de banco en Londres*, It. *Centro principale bancario a Londra.*)

This name is used to signify the money market, and it arises from the fact that most of the bankers and

dealers in money have their places of business in Lombard Street or its vicinity.

LONG. (Fr. *Haussier*, Ger. *Haussier*, Sp. *Alcista*, It. *Giuocatore di borsa al rialzo.*)

This is an American term, which is equivalent to the market expression "bull." Instead of calling a person who holds stock for a rise a bull, the Americans say of him that he is "long in stock."

LONG-DATED BILL. (Fr. *Billet à longue échéance, à longue terme*, Ger. *langlaufender Wechsel*, Sp. *Letra á larga fecha*, It. *Cambiale a lunga scadenza.*)

This phrase is used in the money market to signify a bill which has a long term to run, such as a bill which is drawn at six or nine months after date or after sight. Long-dated bills are often spoken of as "long-dated paper."

LONG-DATED PAPER. (Fr. *Papier à longue échéance*, Ger. *langsichtiges Papier*, Sp. *Papel de larga fecha*, It. *Effetto a lunga scadenza.*)

This phrase has the same meaning as long-dated bill (*q.v.*).

LONG DOZEN. (Fr. *Treize à la douzaine, Treize-douze*, 13/12, Ger. *grosses Dutzend*, Sp. *Gran docena*, It. 13.)

This signifies thirteen articles which are reckoned as twelve.

LONG ROOM. (Fr. *Grande salle de la douane à Londres*, Ger. *grosser Zollsaal in London*, Sp. *Gran sala de aduana en Londres*, It. *Salone doganale a Londra.*)

This is the large room in every Custom House in which public business is transacted.

LOST BILL. (See *Bill of Exchange.*)

LOT MONEY. (Fr. *Lotissement*, Ger. *Losgeld*, Sp. *Derechos de correduria*, It. *Diritti del venditore all' incanto.*)

This is a charge made by an auctioneer for each lot of goods sold by him at a public auction.

LOTS. (Fr. *Lots*, Ger. *Lose, Partien*, Sp. *Lotes, partidas*, It. *Lotti, partite.*)

These are goods arranged in separate portions or parcels for sale by auction.

LUMBER. (Fr. *Bois de charpente*, Ger. *Bauholz*, Sp. *Maderaje*, It. *Legname da costruzione.*)

Lumber is the American term for timber.

LUMBERERS. (Fr. *Coupeurs, bûcherons, défricheurs*, Ger. *Holzhauer*, Sp. *Leñeros*, It. *Tagliaboschi.*)

Lumberers are men employed in felling timber and bringing it from the forests.

LUMBERING. (Fr. *Défrichement*, Ger. *Holzhauerei*, Sp. *Comercio de maderas*, It. *Mestiere del tagliaboschi.*)

This is the business of a lumberer.

M. This letter is used as an abbreviation in the following:—

M., Thousand.
M/C., Metalling Clause (marine insurance), and Marginal Credit (banking).
M/d, Months' Date.
mm., Millimetres.
MS., Manuscript.
M/s., Months' Sight.
MSS., Manuscripts.

MADE BILL. (Fr. *Billet endosse*, Ger. *girierter Wechsel*, Sp. *Billete endosado por un tercero*, It. *Cambiale girata.*)

A made bill is distinguished in commerce from a drawn bill, by having the name of a third party upon it in the form of an indorser. A drawn bill is a foreign bill negotiated direct from the drawer to a London foreign banker; a made bill is usually a foreign bill forwarded from some provincial town to a correspondent in London, where it is indorsed by the correspondent in his own name and then negotiated. A foreign bill, therefore, may be either a drawn bill or a made bill, according to the manner in which it is dealt with by the drawer.

Suppose a bill drawn as follows:—

"*Manchester, January* 1, 1916.
"£750.
Fifty days after sight pay this first Bill of Exchange (second and third unpaid) to our order, seven hundred and fifty pounds sterling, for value received.
Smith and Robinson.
To Mr. H. Hermann,
Berlin."

If this bill is sent by the drawer direct to the London offices of the banker who is the agent of the Berlin merchant, it is a drawn bill; but if, on the contrary, it is first sent to a London correspondent to be indorsed by him, and then indorsed and negotiated, it is a made bill.

Hence, all bills drawn and payable abroad, but previously negotiated in London, are made bills, bearing, as they do, the indorsements of a London firm or correspondent.

MAIL. (Fr. *Malle, dépêches*, Ger. *Post(sachen)*, Sp. *Correo*, It. *Corriere, posta.*)

The general term for letters and correspondence.

The following facts and figures are extracted from a recent issue of the *Post Office Guide*, which is a quarterly publication, and the rates, times, etc., are subject to periodical and great variations.

It is impossible to guarantee any statements as to the Post Office for a period longer than three months, and, at the present time, owing to the war, those charges may be of very frequent occurrence. The following are the rates in existence at present (1918).

Inland Letters.—Letters not exceeding 4 oz. in weight are charged 1½*d.*; for every additional 2 oz., or portion of 2 oz., an extra ½*d.* is charged. Letters to soldiers and sailors serving abroad or on board H.M. ships may still be sent for 1*d.* if the weight does not exceed 1 oz.

There is no limit as to weight; but the maximum allowed for size is length two feet, width one foot, depth one foot, unless sent to or from a Government office. A letter posted unpaid is charged with double postage on delivery; if insufficiently paid, with double the deficiency.

Most things may be sent by letter post; but explosives, offensive or obscene matter, eggs, fish, meat, fruit, and vegetables are not accepted.

Most of the railway companies of the United Kingdom have entered into agreements with the Postmaster-General by which letters can be conveyed by the earliest available train or steamboat. No letter must exceed one ounce in weight, and in addition to the usual stamp, a sum of twopence must be paid to the servant of the railway company. The letter may be addressed to be called for at the station to which it is sent, or may be transferred thence to the nearest letter-box for postal delivery. If the letter is not handed in at the passenger railway station it must be delivered at an express delivery post office for immediate conveyance to the railway station by special messenger. For this an express fee is charged at the rate of threepence per mile.

Letters and parcels can be more quickly delivered than in the ordinary way,

(1) By special messenger all the way; this being the most rapid service, costing 3*d.* for every mile or part of a mile from the office of delivery to the address. If a packet weighs more than 1 lb., a weight fee of 3*d.* is also charged. Letters or parcels intended to be sent by special messenger must be handed in at an express delivery office; but articles of a dangerous or offensive character are not accepted.

(2) By special messenger after transmission by post. Letters intended for express delivery from the post office of destination may be posted like ordinary letters, but they must be clearly marked

Express Delivery,

and have a thick perpendicular line drawn on each side of the envelope from top to bottom both front and back. The fee in addition to the ordinary postage is 3*d.* for every mile or part of a mile from the office of delivery.

(3) By special delivery in advance of the ordinary mail. Persons, or firms who wish at any time to receive their letters and other postal packets, including parcels, book packets, newspapers and circulars in advance of the ordinary delivery, may have them brought by special messenger by paying threepence per mile for one packet, and one penny for every additional ten or less number of packets beyond the first.

There are various other facilities for quickening the despatch of letters and parcels, both in the United Kingdom and in a number of foreign countries, full particulars of which will be found in the *Post Office Guide.*

As a rule, the prepayment of inland letters, private post cards, newspapers, book packets, and parcels can only be effected by means of postage stamps. In London, Edinburgh, Dublin, and certain provincial towns, prepayment may be made in money, provided the amount paid is not less than £1. The conditions upon which money will be received instead of stamps may be learned on applying at the post offices concerned.

Arrangements may be made with the postmaster of any place for postmen to collect ordinary letters from private letter boxes of approved pattern at hotels, business premises, or offices at a minimum charge of £3 per year. There is a special arrangement, at lower rates, in force in London. This is, however, quite experimental.

Private letter boxes may be rented at certain post offices for an annual rent of from one to three guineas a year; and private letter bags may be used in the country at varying rates.

Notice of removal and for the redirection of letters must be given on printed forms, which can be obtained from the local postmaster or from postmen. The notice holds good for twelve months. It may, however, be extended on payment of a fee of 1*s.* a year up to the end of three years after the removal.

Letters may be reposted on the day of arrival if they do not appear to have been opened or otherwise tampered with. If reposted more than a day

after delivery, Sundays and public holidays not being counted, the ordinary prepaid rate is charged.

Undelivered inland letters, bearing the full name and address of the sender, are returned unopened. Others are opened and returned, if possible, to the senders, a registration fee of twopence being charged if the letter contains anything of value. Those which contain no address and no articles of value are at once destroyed. Foreign letters which cannot be delivered are returned to the countries from which they were received. Book packets which have a request written or printed upon cover to return them in case of non-delivery, are charged with a second postage, otherwise they are destroyed.

Telegraph Letters.—In June, 1912, a new departure was made which deserves a few words of explanation. Difficulties have often been felt as to the early hour of closing the post in certain places, and also, as far as London is concerned, as to the interval between Saturday evening and Monday morning. It is now possible to communicate between certain towns after the post is closed by means of what are known as "night telegraph letters,"—the matter, of course, being telegraphed from one place to another—these letters being delivered at their destination on the first round in the morning. The places at first accommodated in this way wei

Aberdeen	Exeter	Newcastle-on-Tyne
Belfast	Falmouth	
Birmingham	Glasgow	Newport (M)
Bradford	Holyhead	Norwich
Brighton	Hull	Nottingham
Bristol	Inverness	Penzance
Cardiff	Leeds	Plymouth
Cork	Leicester	Portsmouth
Devonport	Liverpool	Queenstown
Dover	London	Sheffield
Dublin	Londonderry	Southampton
Dundee	Manchester	Swansea
Edinburgh		

Night telegraph letters may now be sent between any two towns in which the Head Telegraph Offices are open always.

These telegraph letters are charged at the rate of 9*d.* for thirty-six words or less, and the ½*d.* for every three words beyond thirty-six, and they are delivered as already stated, with the ordinary letters by the first post in the morning. They must be in plain language, should be written on telegram forms, and the charges prepaid in postage stamps. They may be handed in at or must reach the Head Office of the town of despatch before midnight. These letters must not bear multiple addresses, and registered telegraphic addresses will not be accepted

Registered Letters.—All letters containing coins, watches, or jewellery are subject to compulsory registration. The term "jewellery" includes gold or silver, manufactured or unmanufactured, diamonds and other precious stones. Letters containing documents of special value or securities for money or paper money should be registered. The term "paper money," includes the following:—

(1) Authorities for the payment of money, (2) bank notes, (3) bank post bills, (4) bills of exchange, (5) bonds, (6) cheques, (7) coupons, (8) credit notes, which entitle the holder to goods or money, (9) exchequer bills, (10) money orders, (11) orders for the payment of money, (12) postal orders, (13) postage stamps (unobliterated), (14) promissory notes, (15) revenue stamps (unobliterated), (16) securities for money of all kinds, including Treasury notes.

Letters of which it might be important to prove the delivery should also be registered. By doing so the sender gains the benefit of the increased care taken by the post office to avoid loss. Every person who handles a registered letter has to give a receipt for the same.

The fee for registering an inland letter, postal packet, or parcel, is twopence. This fee, which must be prepaid with the postage, provides for compensation in the event of loss or damage up to £5, except in the case of coin. (The payment of compensation is discretionary; it is not a right.) Additional compensation up to a maximum of £400 can be provided for by paying higher fees, according to the following scale:—

Fee.	*Limit of Compensation.*	*Fee.*	*Limit of Compensation.*
2*d.*	£5	1*s.* 1*d.*	£220
3*d.*	£20	1*s.* 2*d.*	£240
4*d.*	£40	1*s.* 3*d.*	£260
5*d.*	£60	1*s.* 4*d.*	£280
6*d.*	£80	1*s.* 5*d.*	£300
7*d.*	£100	1*s.* 6*d.*	£320
8*d.*	£120	1*s.* 7*d.*	£340
9*d.*	£140	1*s.* 8*d.*	£360
10*d.*	£160	1*s.* 9*d.*	£380
11*d.*	£180	1*s.* 10*d.*	£400
1*s.*	£200		

Every article to be registered must be given to an agent of the post office, and a receipt obtained for it, or it will be liable to a double registration fee. It must be marked with the word *Registered*, and the amount of the fee

paid according to the compensation secured. For letters and official papers the registered envelopes, with the registration stamp embossed on the flap, should be used; and for specie they must be used.

The compensation paid in respect of loss or damage of coin never exceeds £5, whatever the amount of coin contained in the letter may have been, and no compensation will be paid at all if a registered envelope is not used.

Inland Post Cards.—These are either official or private. The former bear an impressed penny stamp; reply post cards, twopence. The following regulations must be observed as to them:—

(1) Nothing likely to prevent the easy reading of the address may be written or printed on a post card.

(2) Private post cards are made of ordinary cardboard, no thicker than that used for official cards, and have a penny stamp affixed to the face of each. The largest size must be the same as that of the largest official card, that is, five and a half inches by three and a half inches; and the minimum size must not be less than four by two and three-quarter inches.

(3) An official post card must be neither folded nor cut in any way so as to reduce the size below four by two and three-quarter inches.

(4) Nothing must be attached to a post card on either side except stamps in payment of additional postage or stamp duty, and a gummed label, not exceeding two inches long and three-quarters of an inch wide, bearing the address at which the card is to be delivered.

Printed Paper Rate.—The charge is ½*d.* for the first ounce, and 1*d.* for packets exceeding 1 oz. and not exceeding 2 oz. Above 2 oz. the letter rate operates. The limits of length, width, and depth are the same as those of letters, but the weight must not exceed 5 lb.

The printed paper rate applies to any matter wholly printed on paper (paper sent as stationery not admissible), books and periodicals, manuscript, invoices, deeds and agreements, circulars produced in identical terms by any mechanical process (but not to include typewriting or imitations thereof), prints or photographs (when not on glass, or in cases containing glass, or any like substance), together with the legitimate binding or mounting, and anything necessary for safe transmission. The packet must be open at the ends, but may be tied with string, or in an unfastened envelope or cover easily removed, and must contain no communication in the nature of a letter. The list has been greatly extended.

Newspapers.—These pass through the post within the limits of the United Kingdom for one halfpenny each, provided they are registered at the General Post Office, and that the weight does not exceed six ounces. Over six ounces the rate is one halfpenny for every additional six ounces or fractional part thereof. The cost of registration is five shillings a year. Unregistered newspapers are charged at the rate of one halfpenny for every two ounces. The weight of a packet of newspapers must not exceed 2 lbs., nor be of greater dimensions than two feet in length, and one foot in width or depth.

Samples.—The special sample rate is now abolished, and samples may be sent at the same rate as letters, namely, 4 oz. for 1½*l.* and an extra ½*d.* for every additional 2 oz. or fraction of 2 oz. The limit of weight is 8 oz., and no sample must exceed twelve inches in length, eight inches in width, and four inches in depth.

Poste Restante.—This is intended solely for the accommodation of strangers and travellers who have no permanent abode in the town. Letters and parcels may be addressed to the Poste Restante at all Post Offices except Town sub-offices. The Post Restante cannot be used for more than three months. Letters or parcels should have the words "Poste Restante" included in the address. No initials, or fictitious names, or Christian name only, will be taken in, but are at once sent to the Returned Letter Office for disposal; and all persons applying for "Poste Restante" letters must prove their identity. Foreigners must produce their passports. Poste Restante letters from abroad are not kept more than two months; at Provincial Post Offices only one month; letters posted in London, for one fortnight. After these intervals they are sent up to the Returned Letter Office. When, however, letters addressed "to be called for" bear a request for their return within a specified time, if not delivered, they are dealt with in accordance with such request.

Inland Parcel Post.—In order that a packet may be sent by inland parcel post, it must be presented at the counter of a post office for transmission as a parcel; and it must, on no account, be

deposited in a letter-box. The words "Parcel Post" should be written or printed on the left-hand side immediately above the address, and the sender's name and address should appear on the cover, but in such a manner that it cannot be mistaken for the address of the parcel.

The dimensions allowed for an inland postal parcel are—

Greatest length	3 ft. 6 in.
Greatest length and girth combined	6 ft.
Greatest weight	11 lbs.

For example, a parcel measuring 3 feet 6 inches in length may measure as much as 2 feet 6 inches in girth; and a shorter parcel may be thicker; thus should it measure no more than 3 feet in length, it may measure as much as 3 feet round its thickest part.

The full postage must be prepaid by means of postage stamps, which must be affixed by the sender. The postage stamps should be affixed either to the cover close above the address in the right-hand corner, as in the case of a letter, or to the official parcel post label which may be obtained at the post office.

The rates for inland parcel post, as revised in June, 1918, are :—

Weight not exceeding in lbs.	*Rates of Postage.*
3	6*d*.
7	9*d*.
11	1*s*. 0*d*.

The following must not be sent by post :—

(1) Anything of an offensive character.

(2) Explosives, dangerous, or noxious substances.

(3) Sharp instruments, not properly protected.

(4) Living creatures, except bees.

A postal packet must not contain an enclosure bearing a name and address differing from the name and address on the cover. Should any packet be observed to contain such enclosures, when tendered for transmission, it will be refused; and if any such packet is detected in transit, each forbidden enclosure is taken out, forwarded to the addressee, and charged with separate postage at the prepaid rate.

Liquids, glass, china, crockery, eggs, fruit, fish, meat, butter, etc., cannot be sent except by parcel post, and they must be carefully packed.

Foreign Mails.—On October 1, 1908, the postage of letters to the United States was reduced to 1*d*. per oz. It is now 1½*d*. for 1 oz. and 1*d*. for each additional ounce. Almost all other foreign countries are within the Postal Union, and the rates of postage are as follows :—

For a letter, 2½*d*. for the first ounce, and 1½*d*. per ounce afterwards; for a single post card, 1*d*.; for a reply post card, 2*d*.; for newspapers and other printed papers, ½*d*. per two ounces; for commercial papers, ½*d*. per two ounces, with a minimum charge of 2½*d*. Nothing in the nature of a letter may be sent at this rate; for patterns and samples, ½*d*. per two ounces, with a minimum charge of 1*d*. There are certain limits of weight with various countries, all of which are detailed in the *Post Office Guide*. No article liable to customs duty can be sent as a pattern or sample.

With the exception of a very few out-of-the-way islands and dependencies, the postage rate for places within the British Empire is 1½*d*. for 1 oz., and 1*d*. for each succeeding ounce. This applies also to Egypt, and to those places in Morocco which have a British post office.

Foreign and Colonial Parcel Post.—The regulations for prepayment, address, etc., are similar to those for inland postage. The rules as to dimensions and the rates of postage vary with different countries, full particulars of which may be obtained at any post office or from the *Post Office Guide*. Parcels for many foreign countries and British possessions abroad may be insured, and parcels containing coin, or any article of gold or silver must be insured.

Insurance may now be effected up to £400, according to destination at the following rates :—

	s.	*d.*
Up to £12	0	4
„ £24	0	6
„ £36	0	8
„ £48	0	10
„ £60	1	0
„ £72	1	2

and so on increasing 2*d*. for each £12. The fee is 5*s*. 8*d*. for £396, and 5*s*. 10*d*. for £400.

All foreign and colonial parcels are liable to be opened for customs examination, and their contents are subject to customs duty in the country or colony to which they are sent. This duty cannot be prepaid; but is, in each case, collected on delivery. The sender

of every parcel is required to make a customs declaration on a form provided for that purpose.

This form must contain

(1) An accurate statement of the nature and value of the contents of the parcel;

(2) The date of postage; and

(3) The net weight of the articles contained in the parcel.

It should be filled up in French and English, if destined to the continent of Europe, and should also be accompanied by a despatch note.

Letters and parcels may be insured to any amount at Lloyd's, with the underwriters there, or at any marine insurance offices in the same way as goods sent by sea; and this applies to both inland and foreign letters or parcels.

The time required for the transmission of foreign and colonial parcels is rather longer than that for letters and newspapers.

MAIL-DAY. (Fr. *Jour d'expédition des dépêches*, Ger. *Posttag*, Sp. *Dia de correo*, It. *Giorno di corrispondenza.*)

This is the name given to the day set apart by merchants for foreign correspondence, being the day on which mails are despatched by the post office to certain places abroad. Owing to the easy methods of transmission and the frequent services between this and other countries, the name has become restricted to the days upon which mails must be sent to the particular country with which the merchant carries on his principal business. In normal times, letters are made up for India and must be posted every Friday evening, for South Africa every Saturday afternoon, for Australia every Friday evening, for Newfoundland every alternate Friday evening. There is daily communication with most countries in Europe, and letters are despatched at least three times a week to Canada and the United States.

MAINTENANCE. (See *Barratry* (2).)

MAKING-UP DAY. (Fr. *Jour de report*, Ger. *Reporttag*, Sp. *Dia de arreglo*, It. *Giorno del riporto.*)

This is the first day of the settlement on the Stock Exchange.

MAKING-UP PRICE. (Fr. *Cours de liquidation*, Ger. *Liquidationskurs*, Sp. *Curso de la liquidación*, It. *Corso di liquidazione.*)

This is a Stock Exchange phrase for the price at which stocks or shares, which are the subject matter of a speculative transaction, are closed for the current settlement, and carried over to the next settlement day. The stocks or shares are not taken up or delivered, but the transaction is closed, and then re-opened (plus the contango, or minus the backwardation) for the next account.

MALÂ FIDE. "In bad faith."

MALA FIDES. "Bad faith," the opposite of *bona fides*.

MANAGING DIRECTOR. (Fr. *Directeur gérant*, Ger. *Verwaltungsdirecktor*, Sp. *Director gerente*, It. *Direttore gerente.*)

In most companies one or more of the directors is or are chosen upon whom special powers as to the management of the concern are conferred. The name of managing director is conferred upon any person who is so chosen.

MANDAMUS. A Latin word, signifying "we command." It is a writ issued by the Court of King's Bench requiring a person or a body of persons to perform some particular act. Its use is practically confined to the enforcement of certain public rights and duties. The grant of the writ is discretionary, and if it appears that the applicant has some other effective mode of redress, the court will generally refuse it. The mode of procedure is for an application to be made in the first place *ex parte* to a Divisional Court, supported by affidavit, for a rule *nisi* calling upon the person or the body against whom it is desired to obtain the writ to show cause why the writ should not issue against him. If the rule *nisi* is granted, then at some future date the merits of the case are gone into fully, and the rule *nisi* is made absolute, that is, the application for the writ of mandanus is granted, or it is dismissed, that is, the application is refused, according to the merits and the circumstances of the case. The corresponding writ which forbids the performance of a particular act is one of prohibition.

MANDATE. (Fr. *Mandat*, Ger. *Mandat, Vollmacht*, Sp. *Mandato*, It. *Mandato.*)

This is a contract under which one man employs another to manage any business for him. The word also signifies a judicial command.

MANIFEST. (Fr. *Manifeste*, Ger. *Manifest*, Sp. *Manifiesto*, It. *Manifesto.*)

This is the document which contains the description, marks, numbers, etc., of the various packages comprised in the cargo of a ship. It is one of the documents included in the ship's papers, and is required for delivery to the Custom

House authorities at the port of destination.

MANUFACTURE. (Fr. *Fabrication*, Ger. *Fabrikation*, Sp. *Fabricación*, It. *Fabbricazione*.)

Originally this meant the making of anything by hand, but now it is generally applied to the transformation of raw materials into finished products, mainly by machinery.

MARGIN. (Fr. *Marge, limite*, Ger. *Hinterlegung*, Sp. *Margen*, It. *Margine, limite*.)

This is a Stock Exchange term referring to operations under the "cover" system, and it signifies the extreme point which a price must touch before the cover is exhausted. The term "margin" is sometimes used in the same sense as cover. It also signifies a discretion of so much per cent., or so much per share, allowed to work upon, over a named price, should it not be possible to do business at the price fixed.

MARINE INSURANCE. (Fr. *Assurance maritime*, Ger. *Seeversicherung*, Sp. *Seguro marítimo*, It. *Assicurazione marittima*.)

A contract of marine insurance is one whereby one party, for a stipulated sum, undertakes to indemnify the other against loss arising from certain perils or sea risks, to which his ship, merchandise, or other interest, such as freight, may be exposed during a certain voyage, or for a certain period of time. Like fire insurance, it is a contract of indemnity, that is, the insured cannot recover more than his actual loss. The insurance is generally effected with a number of individuals called "underwriters." This term arises from the fact that the persons who signify their willingness to take part in the risk as insurers subscribe their names to the policy, and state the sum for which they respectively agree to be liable. The best known association of underwriters is Lloyd's.

The law as to marine insurance was codified by the Marine Insurance Act, 1906.

The policy is generally negotiated by an insurance broker, employed by the insured. As the broker is personally liable to the underwriters for the premium, his position is rather that of a middleman than of an agent. The practice is for the broker to prepare a brief memorandum of the terms of the intended policy, and for the underwriters to initial it for the amount each of them proposes to underwrite. This document is called the "slip."

The policy of marine insurance is very complex in its terms. Every clause has been examined at some time or other by the courts, and the meaning of each is well known to persons connected with the shipping world.

The insured must have an insurable interest in the ship or its cargo at the time the insurance is effected. If the words "lost or not lost" are inserted in the policy, the insurance will be valid even though the loss occurred prior to the effecting of the insurance, if unknown at the time to the insured. In spite of this legal necessity for "insurable interest," there used to be an enormous amount of gambling in insurances amongst the classes who take up this kind of insurance, just as there is any amount of gambling, pure and simple, on the Stock Exchange. Gambling policies were declared invalid by the Marine Insurance Act, 1906, and by a subsequent Act, passed in 1909, heavy penalties may be imposed upon any persons, brokers or others, who deal in the same.

The principal kinds of marine insurance policies are:—

(1) Valued. The agreed value of the subject matter insured is stated in the policies. This statement of value is conclusive between the parties in case of loss, even though it is in excess of the actual value of the subject matter. As in other contracts fraud invalidates such policies. Ships and freights are generally so insured.

(2) Unvalued. In policies of this kind, which are also known as "floating policies," the value of the subject matter is not stated, but is left to be proved by evidence if any loss occurs. Goods are usually so insured, since their value can be easily ascertained.

(3) Voyage. The risk undertaken is confined to the particular voyage named in the policy.

(4) Time. The policy is made for a fixed period, not exceeding one year and thirty days in length, and the risk undertaken is for any loss which may happen during that time, irrespective of the voyage or voyages undertaken.

Policies of marine insurance are issued subject to certain express warranties inserted in them. Apart from special warranties there are certain implied warranties which have the same legal force as though they were set out in the policies. The principal implied warranties are seaworthiness, non-deviation, and the legality of the voyage, though

it appears that there is no implied warranty of seaworthiness in a time policy.

A ship may be totally lost, or it may be injured only. In the former case, where the ship and the cargo are totally lost or destroyed, the full amount of the loss is recoverable from the underwriters. In the case of a partial loss, the extent of the injury must be ascertained before any claim can be made. The amount recoverable is not the full extent of the damage sustained. The shipowner must bear a portion of the cost of renewing his ship, generally one-third, seeing that he is getting the benefit of new materials for repairs, and the underwriter can only be called upon to pay the remaining two-thirds. As to the amount recoverable for the partial loss of cargo, the calculation is made according to recognised rules, and the estimated loss depends mainly upon the different values of the goods (1) at the port of despatch; (2) at the port of destination as if perfect; (3) at the port of destination in their damaged condition.

There may be a constructive total loss, that is, the ship and the cargo may be in such a position as to render it doubtful whether they can be saved, or whether it is worth the cost of making an effort to save them. They are then abandoned to the underwriters, notice of such abandonment being given. (See *Abandonment.*)

The stamp duties on marine insurance policies as fixed by the Stamp Act, 1891, and the Finance Acts, 1901 and 1908, are as follows:—

(1) Where the premium does not exceed the rate of 2*s.* 6*d.* per cent. of the sum insured . . . . 1*d.*

(2) In any other case—

(*a*) For or upon any voyage:
In respect of every £100 and also any fractional part of £100 . . . . . . 1*d.*

(*b*) For time:
In respect of every £100, and also any fractional part of £100:
Where the insurance is made for any time not exceeding six months . 3*d.*
Where the insurance is made for any time exceeding six months and not exceeding twelve months . . . . 6*d.*

By the Finance Act, 1901, it was made permissible to insert a continuation clause in a time-policy, which extended the validity of the insurance for a period not exceeding thirty days if the ship happened to be at sea when the policy expired. The extra stamp duty over and above the ordinary stamp duty to be paid when the continuation clause is inserted is 6*d.*

Prior to the Judicature Act, 1873, policies of marine insurance had been made assignable at law, although being *choses in action*, by the Marine Insurance Act, 1868 (31 & 32 Vict. c. 86).

MARINERS. (Fr. *Marins*, Ger. *Seeleute*, Sp. *Marinos*, *marineros*, It. *Ciurma*, *equipaggio.*)

When this term is used in shipping documents, it usually refers to the crew, or to those sailors who, outside the master and the pilot, manage and navigate the ship.

MARITIME LAW. (Fr. *Loi maritime*, Ger. *Seerecht*, Sp. *Derecho maritimo*, It. *Codice marittimo*, *legge marittima.*)

This is the branch of commercial law which relates to ports, harbours, ships, navigation, pilots, lighthouses, etc.

MARITIME LIEN. (Fr. *Sécurité de détention*, Ger. *Seepfandrecht*, Sp. *Seguridad maritima*, It. *Contratti di pegno marittimo*, *garanzia marittima.*)

This is a privileged claim upon a thing in respect of services rendered to it, in connection with some maritime adventure. It differs from the common law lien in that it does not depend upon possession, and attaches to the ship wherever she may be. It is enforceable by arrest and sale, if necessary, at the instance of the Admiralty Court. Maritime liens arise out of salvage, bottomry bonds, damages through collision, seamen's wages, payments made by the master on account of the ship, and the services of pilots.

MARK. (Fr. *Mark*, Ger. *Mark*, Sp. *Marco*, It. *Marka*, *bollo.*)

The mark is the unit of accounts and exchange in the German Empire, since January 1, 1876. The value of the coin is about 11¾*d.* At par value, 20·4 marks are equal to £1.

MARKED CHEQUES. (Fr. *Chèques visés*, Ger. *markierte Bankanweisungen*, Sp. *Cheques visados*, It. *Cheque bollati*, *cheque vistati.*)

These are cheques which have been marked by the bankers upon whom they are drawn that they are in order and will be paid in due course. These cheques are largely used in Canada and the United States. They are also known as "certified cheques."

MARKET or **MART.** (Fr. *Marché*, Ger. *Markt*, Sp. *Mercado*, It. *Mercato, piazza.*)

A market is a public place used for the purposes of commerce.

MARKET OVERT. (See *Sale.*)

MARKET PRICE. (Fr. *Cours du marché*, Ger. *Marktpreis*, Sp. *Precio del mercado*, It. *Prezzo o corso del mercato.*)

This is the current price at which goods are sold in the market.

MARKET RATE OF DISCOUNT. (Fr. *Cours d'escompte*, Ger. *Privatdiskonto*, Sp. *Tipo de descuento*, It. *Tasso o corso di sconto.*)

This is the name given to the rate charged by bankers, bill-brokers, and others for discounting bills of exchange. It is usually lower than the bank rate, owing to competition, and the desire of the open market to get a good share of the business which is offered.

MARKET REPORT. (Fr. *Rapport du marché, mercuriale*, Ger. *Marktbericht*, Sp. *Revista del mercado*, It. *Ragguaglio del mercato.*)

This is the report which describes the state of the market and sets out the current prices.

MARKET VALUE. (Fr. *Cours du marché*, Ger. *Marktwert, Tageskurs*, Sp. *Valor del mercado*, It. *Valore del mercato.*)

This means the sum of money which can be obtained for goods or securities in the open market. Every article dealt in, even money itself, is at times enhanced or depreciated in value, owing to various affecting influences.

MARKING. (Fr. *Notation*, Ger. *Notierung*, Sp. *Cotizaciones*, It. *Quotazione, prezzi di chiusura.*)

On the Stock Exchange this signifies the recording of the prices at which actual business has been done in any security between the hours of eleven and three.

MART. (See *Market.*)

MARTINMAS. (Fr. *Le Saint Martin*, Ger. *Martinsfest*, Sp. *Fiesta escocesa de Noviembre*, It. *S. Martino.*)

This is the eleventh of November. This is one of the Scotch quarter-days.

MASTER AND SERVANT. (Fr. *Maître et serviteur*, Ger. *Herr und Untergebener*, Sp. *Maestro y servidor*, It. *Padrone e servitore.*)

The rights and duties arising out of the relationship of master and servant are generally settled by the contract of service. But there are a few points common to the hiring of servants, of whatever kind, to their dismissal, and to the giving of characters, which are practically settled by law, and to which no particular reference is made when the contract of service is entered into. These are the points which are here dealt with. The responsibilities of an employer are further dealt with under the Employers' Liability Act, the Truck Acts, the Workmen's Compensation Act, the Trades Boards Act, and the National Insurance Act.

Hiring.—When a servant is hired, whether an agent, a clerk, a domestic servant, or a governess, the contract may be a verbal one. But if the term of service is to extend beyond a year from the date of its commencement the contract should be evidenced by writing in order to satisfy the fourth section of the Statute of Frauds. What is required is some memorandum or note signed by the party to be charged therewith, or by some other person authorised by him. The memorandum need not be a formal one, but it must contain the names of the parties, must designate the date of the commencement of the service, and must set out the consideration for the hiring, that is, the amount of the salary or wages to be paid. An agreement may be collected from a series of letters, provided that the connection between them is clear upon the face of the documents themselves.

When no time is fixed for the duration of the contract of service, either expressly or by implication, the hiring is considered to be a general hiring, and the legal presumption is that it is a hiring for a year. Also, if the hiring is for a year, and the year's serivce is not performed, a servant cannot recover his wages. But this rule is of no practical importance, for there are many circumstances which will easily rebut the presumption of yearly service. The payment of wages at shorter intervals than a year, and the evidence of a general custom in a particular calling as to length of service would tend to show that the hiring was not for a year Again, if there is no specific contract of hiring, but there is evidence of service, the servant can recover his reasonable wages for the time he has served. Servants of the Crown, whether civil, naval, or military—unless it is otherwise provided—hold their offices only during the pleasure of the Crown. And further, no engagements made by the Crown with any of its naval or military officers in respect of services, either present, past or future, can be enforced in any court of law.

Termination of Service.—The contract of service is terminated by the death of one of the parties, or by proper notice. The contract being a personal one, no substitute can be placed in the positions of the original parties. If, therefore, after the death of a master a servant is retained to do certain work, even of the same character which he has previously performed, it is a presumption of law that there is a new contract of service, entered into with the representatives of the deceased. As to the length of notice required, when the contract of service is to be terminated in this manner, much will depend upon the special circumstances of each case. If the hiring is a general one, that is, presumed to be for a year, a servant cannot be dismissed, except for misconduct, until the year has expired. This rule, however, is eaten up with exceptions. If wages are payable weekly, the hiring will generally be held to be a weekly one, and then a week's notice is sufficient. A clerk can be discharged with three months' notice, and a menial servant with one. The term "menial servant" has been held to include a head gardener residing in a detached house in his master's grounds, and a huntsman, but not a governess. When there is no stipulation as to the length of notice to be given, there must be a reasonable or customary notice. What is a reasonable notice is a question of fact in each case. In the case of an advertising agent a month's notice was found to be sufficient. In another case, where a stationery clerk in a telegraph office had a yearly salary of £135, paid fortnightly, it was left to the jury to say what was a reasonable notice for a person in his position, and they found that a month was. Of course, the more responsible the position, the longer, generally speaking, will the notice be. Where there is any doubt as to the notice which ought to be given, the matter should be settled by the parties themselves at the time of the formation of the contract.

The question as to what is a reasonable and customary notice in the case of domestic servants has been the subject of interesting judicial consideration. In one case the plaintiff entered the service of the defendant as a housemaid on March 1. On March 12 the plaintiff gave notice to leave on April 1, and did leave, but on leaving her mistress refused to pay her a month's wages. The case was first tried in a county court, where the servant endeavoured to establish that a custom was in existence under which either party to the contract of the hiring of a domestic servant was entitled, in the absence of special terms as to notice, to terminate the service at the end of the first month by a notice given before the expiration of the first fortnight. The servant further claimed that where notice is given in the first fortnight to leave at the end of the first month, the servant is entitled by custom to have the character with which she entered the service handed over to a subsequent employer. The county court judge decided that there was no such custom. In the Divisional Court, on appeal, it was held that the county court judge had come to a correct decision, but that the custom as to notice would not be unreasonable if clearly proved to exist. "As to the alleged custom of a servant under these circumstances being entitled to leave at the end of the first month, I think it would be a reasonable one, and, if established by evidence, ought to be acted upon. As to the alleged custom of handing on the character, I think such a custom would be unreasonable. There is no obligation imposed upon a master or mistress to give a character to a servant, but if a character is given, it ought to be a true one. Therefore, if a servant were hired with a good character from his or her last place, and it afterwards came to the knowledge of the master or mistress that such character was undeserved, and practical experience would be sufficient, it would be dishonest, with such knowledge, to pass on the good character to a subsequent employer."

Since the decision in this case another county court judge held that the custom was proved by the evidence adduced before him, and gave judgment for the servant for a month's wages, which were claimed under circumstances similar to those in the preceding case.

Mutual Duties.—A servant must use proper care in dealing with the property of his master which is entrusted to him. If he is guilty of gross negligence by which such property is injured, he will be liable to an action at law. There is no duty laid upon him to protect the property at all risks, and he will not be responsible for losses arising through robbery. The whole of the servant's working hours are at the disposal of his master, and may be utilised in any manner the master desires, though

no servant can be compelled to obey any unlawful command or order. The strictest honesty is demanded in dealing with the goods or property of the master, and also with any moneys paid to the servant for his master. If a servant retains and converts to his own use any sum of money which is paid to him on behalf of his master he is guilty of embezzlement. Such an act, on the part of any other person than a clerk or servant, has only been constituted a criminal offence, under certain circumstances, since the passing of the Larceny Act, 1901.

In the interests of the trading community, a servant is bound to keep any of the trade secrets of his master, and may be restrained by injunction from communicating them to other people.

A master is responsible for the negligent acts of his servant, whereby a third party is injured, provided the servant is acting in the ordinary course of his duty, and within the scope of his authority. But if the servant is engaged in some enterprise or business which is altogether unconnected with his service, or if he is chargeable with anything which imposes a criminal liability upon him, the master is not responsible.

Again, it is the duty of every master to indemnify his servant from the consequences of doing anything in obedience to orders, the servant at the time believing them to be lawful. But there is no obligation to indemnify if the servant know that the orders were unlawful, nor if damage has arisen to the servant through acting in direct disobedience to his master's orders.

In the case of a domestic servant, no master or mistress should ever take upon himself or herself the responsibility of searching boxes, etc., if a theft is suspected. Either a search warrant should be obtained, or a constable should be consulted and asked to act upon the information given to him. The reason for the distinction is that whereas a constable can act upon reasonable suspicion of a felony having been committed, a private person must, in addition, have good grounds for suspecting a particular person before he can act with safety.

In recent times, it has become a common practice in many trades for a master to bind his servant, in case the latter leaves his employment, not to enter the services of any trading competitor or to trade on his own account, for a specified period. If there is nothing overreaching in the agreement, the restraint imposed may be held not unreasonable and not in restraint of trade. (See *Contract.*) There has, however, been a disposition lately to relax the strictness of the rules as to restraint of trade in the case of employers and employed, and it is now clear that if the restraint placed upon an employee is of such a character as to be detrimental to the interests of the public it will be void in law.

Dismissal.—A servant may be summarily dismissed for wilful disobedience, gross moral misconduct, inattention, incompetence, claiming to be a partner, and conduct incompatible with the performance of his duties. Little difficulty arises as to the first four of these grounds for dismissal, though a master must not act too capriciously, nor in too narrow a spirit. The last ground opens a much wider field. No general rule can be laid down as to what will constitute a good cause for summary dismissal, though the judgment of a former Master of the Rolls may be read with advantage as a valuable guide. In an action for wrongful dismissal the plaintiff was the confidential clerk of a firm of general merchants and commission agents, who were in a very large way of business. The defendants discovered that the plaintiff was speculating in differences on the Stock Exchange to the extent of many hundreds of thousands of pounds, and immediately dismissed him from their service. It was held that they were entitled to do so. The late Lord Esher said: "The rule of law is, that where a person has entered into the position of servant, if he does anything incompatible with the due and faithful discharge of his duty to his master, the latter has a right to dismiss him. The relation of master and servant implies necessarily that the servant shall be in a position to perform his duty duly and faithfully, and if by his own act he prevents himself from doing so, the master may dismiss him. It is not that the servant warrants that he will duly and faithfully perform his duty; because, if that were so, upon any breach of his duty his master might bring an action against him on the warranty. But the question is, whether the breach of duty is a good ground for dismissal. I have never hitherto heard any doubt that that is a true proposition of law. What circumstances will put a servant into the position of not being able to perform, in a due manner, his duties, or of not being able to perform

his duty in a faithful manner, it is impossible to enumerate. Innumerable circumstances have actually occurred which fall within that proposition, and innumerable circumstances which never have yet occurred, will occur, which also will fall within the proposition. But if a servant is guilty of such a crime outside his service as to make it unsafe for a master to keep him in his employ, the servant may be dismissed by his master; and if the servant's conduct is so grossly immoral that all reasonable men would say that he cannot be trusted, the master may dismiss him. The question is whether we can differ from the learned judge who has determined the question of fact with reference to a confidential clerk to merchants, who, in the course of his duty, might have to advise his masters upon monetary matters, and who, in the course of his duty, might be called upon by his masters to have in his hands securities of great value, but who is found during the service, secretly from his masters, to have been engaged not in one or two small transactions, but in enormously large gambling transactions on the Stock Exchange in differences, so that he might at any time be landed in immense losses; and whether we can say that the learned judge is wrong in holding that a man who has done that whilst he was a servant, has done that which is incompatible with a safe performance of his duty to his masters, and if the learned judge has held that such a clerk, by such a course of conduct to such an extent has brought himself into a position that the masters cannot fairly rely upon his faithfulness—because the clerk has palpably left himself open to temptation, so great that it is beyond safety to the masters and to the masters' business—the question is whether we can say that the learned judge is wrong, or that a jury would be wrong, in finding that that is incompatible with the safe performance of his duty to his master. Wherever a clerk in a mercantile service, or in a service of trust, breaks any of the rules of good conduct, and wherever a jury finds that the master was justified in dismissing him, I should like it to be known by all persons in that position that this court will uphold the decision, and I think that every judge and every jury, if such conduct is brought before them, as has been imputed to and proved against the plaintiff in this case, holding the position which he did in the office of merchants, would come to the conclusion that gambling to a large extent in differences is wholly incompatible with the due and faithful performance of his duties, if he does so unknown to his master. I should like to say in plain terms, so that it may be understood, that the moment it is made known to a master that his clerk has been gambling to anything like this extent on the Stock Exchange, that of itself will authorise any tribunal in saying that the master was justified in dismissing his servant."

On the dismissal of a servant, there is no necessity for the master to state the grounds for his dismissal. But if the servant brings an action for damages for wrongful dismissal, the master must prove that he had good grounds for acting as he did, otherwise he will be mulcted in damages. The measure of damages is the loss naturally arising from the effects of the dismissal. But a dismissed servant must not expect to receive, as a matter of course, his full wages for the unexpired term of service. The amount is to be reduced by his chances of obtaining other employment, and he must use his best efforts to get such other employment. It may, therefore, happen that the damages sustained are only nominal, and the servant cannot recover more.

In other cases a servant can only be dismissed after proper notice, or the payment of wages for the period of the notice. When the hiring is by the week or the month, or something similar, the notice should be given at the end of one of the periods to terminate at the following. If, however, a servant enters into an agreement for service, and it is stipulated amongst other things that the contract is to be terminable by a certain length of notice on either side, the master can give the notice at any time, or he may dismiss the servant summarily upon paying his wages for the period of the notice without giving any reason whatever for his act. In practice, when it is doubtful whether facts justify extreme action on the part of the master, this is the safest method to be adopted.

A servant may be liable in an action to his master for quitting his service without proper notice. But the remoteness of the chance of obtaining any damages awarded in an action of this kind causes this class of case to be of the rarest occurrence. For maliciously breaking a contract of service in connection with municipal gas or water

works, a servant may be criminally proceeded against, and summarily convicted.

Characters.—As already stated, there is no legal obligation upon a master or mistress to give a servant a character. But if a character is given, it must be an honest expression of the belief of the person giving it, and if it is so it belongs to the class of privileged communications, for which no action of defamation of character will lie. But the proof of the existence of express or implied malice will destroy the privilege. All facts should be disclosed which are material, but with as little gloss as possible; and there should be no suppression of the truth as to any matters which might affect the mind of any person likely to engage the servant. The giving of a wilfully false character whereby another person is damnified may be a good cause for an action of deceit.

The giving of false characters, or the conspiring with other persons to bring about a contract of service by means of false characters or assertions, renders the party guilty of the same liable to a penalty of £20 and costs.

Disputes between Master and Servant.—Special provision is made for the settlement of disputes between employers and workmen, other than seamen or apprentices to the sea service, by an Act of 1875. It does not apply to domestic or menial servants. Proceedings may be taken in a county court, and the court may—

(1) Adjust and set off against each other the claims of the employer and workman, whether the claims are liquidated or unliquidated, and are for wages, damages, or otherwise.

(2) Rescind, if it thinks proper, any contract between the workman and the employer on such terms as to the apportionment or payment of wages or damages as may appear just.

(3) Accept security from the defendant, with the consent of the plaintiff, that he will perform his contract. The security must be an undertaking by the defendant, and one or more sureties, that the defendant will perform his contract, subject, on non-performance, to the payment of a sum to be specified in the undertaking.

Where the amount claimed or in dispute does not exceed £10, the matter may be heard and determined by a court of summary jurisdiction. No security then taken may exceed £10.

It is an indictable offence for any persons to conspire together to obstruct an employer in the conduct of his business by persuading his workmen to leave him, so as to induce him to make a change in the mode of carrying on his business. But no action will lie against an official of a trade union for procuring the dismissal from their employment of non-union workmen in the same trade, unless the dismissal is brought about by the employer being induced to break his contract with the workmen.

Formerly, it was held that in certain cases where damage arose from the act of any trade union or other similar body, which would have given rise to a claim for damages if done by an individual, the funds of the trade union could be made liable for such damage. Now, practically, immunity has been obtained in all cases since the passing of the Trades Disputes Act, 1906.

For the settlement of trade disputes, powers have been conferred upon the Board of Trade by the Conciliation Act, 1896. When it is shown that any difference exists between an employer and his workmen, the Board has authority to inquire into the causes and circumstances of the dispute, to take steps to arrange a meeting of the parties, and to appoint a person or persons to act as arbitrator, conciliator, or as a board of conciliation. (See *Strike*, *Trade Union.*)

MASTER OF A SHIP. (Fr. *Maître, capitaine, patron*, Ger. *Kapitän, Schiffsführer*, Sp. *Patrón, capitán*, It. *Capitano, comandante.*)

The master is the commander of a merchant ship. The authority of the master is generally confined to the navigation of the ship, and to the absolute control over its management during the progress of a voyage. But this may be extended by special agreement, and in certain cases of necessity the master has power to raise money upon the ship or the cargo for the successful prosecution of the voyage. (See *Bottomry.*)

MASTER PORTER. (Fr. *Surveillant d'embarquement*, Ger. *erster Auslader*, Sp. *Portero principal*, It. *Capo-sorvegliante, soprintendente.*)

This is a person who is licensed by the various dock companies and harbour boards to attend to the receiving, weighing, and sorting of goods, or the proper discharge of vessels upon their arrival in port.

MATE. (Fr. *Lieutenant, second*, Ger. *Maat, Steuermann*, Sp. *Piloto, contramaestre*, It. *Pilota, comandante in seconda.*)

In the mercantile marine the mate is the person who is the deputy of, or the next in command to, the captain. There are first, second, and third mates.

MATE'S RECEIPT. (Fr. *Reçu du second*, Ger. *Steuermannsschein*, Sp. *Recibo del piloto*, It. *Ricevuta del pilota.*)

This is the document given by the mate of a ship acknowledging that he has received certain specified goods on board. The receipt is subsequently given up to the shipbroker in exchange for the bills of lading.

MATURE. (Fr. *Échoir*, Ger. *fällig werden*, Sp. *Vencer*, It. *Maturare, scadere.*)

In the case of a bill, to mature means to become payable.

MATURITY. (Fr. *Échéance*, Ger. *Verfalltag*, Sp. *Vencimiento*, It. *Maturità, scadenza.*)

This indicates the date upon which a bill of exchange, a promissory note, or other similar commercial document falls due, or is legally payable.

MAUNDY MONEY. (Fr. *Monnaie de jeudi saint*, Ger. *Almosenspende am Gründonnerstag*, Sp. *Limosna de Jueves santo*, It. *Elemosina del Giovedi santo.*)

These are special coins struck every year for distribution by the sovereign on Maundy Thursday, that is, the day previous to Good Friday. They are of silver, and nominally valued at fourpence, threepence, twopence, and one penny. They never get into circulation, but are eagerly sought after by coin collectors and kept as curiosities.

MEASUREMENT ACCOUNT. (Fr. *Compte de marchandises au cubage*, Ger. *Massrechnung*, Sp. *Cuenta de detalle de géneros por cabida*, It. *Conti di cubatura o di volume.*)

This is an account taken by dock companies and shipbrokers of cased goods received for shipment, showing the length, breadth, and depth of the cases, for the purpose of calculating the freight, which, on light goods, is reckoned as 40 cubic feet to the ton.

MEASUREMENT GOODS. (Fr. *Marchandises au cubage*, Ger. *Massgüter*, Sp. *Géneros por cabida*, It. *Merci considerate secondo la cubatura o volume.*)

These are goods upon which the freight is charged by measurement, instead of by weight, 40 cubic feet being reckoned to the ton. Light goods in cases or bales are usually charged for in this way, as they take up so much more space than heavy goods.

MEMORANDUM OF ASSOCIATION. (Fr. *Bordereau d'association*, Ger. *Gesellschaftsvertrag*, Sp. *Memoria de asociación*, It. *Statuto o atto costitutivo di società.*)

This document is that which sets forth the objects for which a joint-stock company is formed, and the conditions under which it is incorporated. It is, in fact, the charter of the company. (See *Companies.*)

MERCANTILE. (Fr. *Mercantile*, Ger. *Kaufmännisch*, Sp. *Mercantil*, It. *Mercantile.*)

This word is frequently used for, and is synonymous with, commercial. It is derived from the Latin, *merx*, merchandise.

MERCER. (Fr. *Mercier*, Ger. *Seidenhändler*, Sp. *Mercero*, It. *Merciaio.*)

A mercer is a merchant dealing in silks and woollen cloths.

MERCERY. (Fr. *Mercerie*, Ger. *Ellenwaren*, Sp. *Merceria*, It. *Mercerie.*)

This is the name given to the goods of a mercer, or the trade of a mercer. It is an American term, like grocery.

MERCHANDISE. (Fr. *Marchandises*, Ger. *Handelswaren*, Sp. *Mercadería*, It. *Mercanzie, merci.*)

This is the general term applied to the goods or wares in which a merchant deals.

MERCHANT. (Fr. *Négociant*, Ger. *Kaufmann*, Sp. *Comerciante, negociante*, It. *Mercante, negoziante.*)

This name denotes:—

(1) One who carries on trade, especially on a large scale.

(2) One who imports and exports goods on his own account.

(3) One who receives the consignments of others and sells them on commission, when he is more properly an agent or broker.

(4) A dealer in home-trade industries, as a coal merchant, corn merchant, iron merchant, etc.

There are "general" merchants who trade to various parts with various goods; and there are "specific" merchants, engaged in particular branches of trade and to particular places.

MERCHANTMAN. (Fr. *Navire marchand, bâtiment marchand, bâtiment de commerce*, Ger. *Handelsschiff, Kauffahrteischiff*, Sp. *Buque mercante*, It. *Bastimento mercantile.*)

In nautical phraseology, this is the name applied to a vessel employed in the transport of goods and articles of commerce, in contradistinction to a man-of-war, or vessel used for warlike purposes.

MERCHANT'S MARK. (Fr. *Marque*,

marque de commerce, estampille, Ger. *Handelsmarke,* Sp. *Marca del comercio,* It. *Marca di fabbrica, marca di commercio.*)

In the Middle Ages, when tradesmen were forbidden to use heraldic insignia, they were allowed to use instead certain marks symbolic of their trade or occupation. Thus, a mason had his trowel and compasses, a tailor his shears, etc., whilst others used a monogram of initials as well. These marks were, in all probability, the origin of the trade-marks now in use.

MESSIEURS. (Fr. *Messieurs, MM.,* Ger. *Herren,* Sp. *Señores, Sres.,* It. *Signori.*)

This is the plural form of the French word *Monsieur,* and is generally contracted in English into *Messrs.*

MESSUAGE. (Fr. *Maison et dépendances,* Ger. *Haus mit Grundstücken,* Sp. *Casa y escritorio,* It. *Casa e annessi.*)

This word is generally used in legal documents to denote a dwelling-house, its offices, and outbuildings and the adjoining lands (if any) appropriated to the use of the household.

METALLIC CURRENCY. (Fr. *Numéraire,* Ger. *Metallwährung,* Sp. *Metálico,* It. *Numerario.*)

This is the authorised gold, silver, nickel, and bronze currency of a country as coined at the Government mints.

METALLING CLAUSE. (Fr. *Clause de doublage,* Ger. *Metallklausel,* Sp. *Cláusula de laminación,* It. *Clausola per la fodera metallica.*)

This clause is sometimes found in a marine insurance policy, and it relates to the metalling of the ship so that no claims can be made upon the underwriters for the ordinary wear and tear to which a steamship is subjected during a voyage.

METRE. (M.) (Fr. *Mètre,* Ger. *Meter,* Sp. *Metro,* It. *Metro.*)

The metre is the unit or basis of the metric system of weights and measures. The metre is supposed to be, though this is not quite true, the ten millionth part of a quadrant of the meridian, that is, the distance from the pole to the equator, measured along the surface of the sea. In English measure it is about 3 feet 3½ inches, or more exactly, 39·370113 English inches, or 3·280843 English feet, or 1·093614 English yards.

METRIC SYSTEM. (Fr. *Système métrique,* Ger. *Dezimalsystem, Metermass,* Sp. *Sistema métrico,* It. *Sistema metrico.*)

This is the system of weights and measures now used by most civilised nations, of which the metre is taken as the unit or basis, and from which the units of surface, capacity, and weight are derived.

The United Kingdom and the United States are the great exceptions to the civilised countries which use the metric system. In both, however, Acts of Parliament and Congress have been passed authorising the use of the metric system, though with little result. The great objection to a change from the present arbitrary and cumbrous weights and measures to systematic ones is the confusion that might take place during the change. Inquiries have been made from English representatives abroad as to the effect of a similar change in foreign countries. All seem to agree that the confusion likely to arise is exaggerated. The following was a portion of the reply of the English Ambassador in Berlin to an inquiry on the subject in February, 1900:—

"The difficulties were overcome with comparative success. The purchasing public soon learned to appreciate the simplicity of the new system, and they accepted without serious complaint the inconvenience inevitably connected with the period of transition. The Weights and Measures Regulations came into force on January 1, 1892, that is to say, about three and a half years after its introduction had been announced. Permission to use the new measures was granted, however, as early as January, 1870, in so far as the other party to a particular transaction concurred in their use. The interval thus granted was sufficient to insure the adoption of the new system in all its details; it also enabled the local bureaux to acquire the necessary apparatus, and to produce and certify the accuracy of the new measures in such quantites as to render their exclusive use in the various branches of industry an accomplished fact by January 1, 1892. This is all the more noteworthy, as previous to that date a very large number of different systems had been in use in Germany at the same time. It cannot be said that a serious desire exists in Germany at the present day to revert to the former state of things."

The metric system is a decimal one. The basis of all measurements is the metre which is the ten millionth part of the assumed length of the direct distance from the Pole to the Equator. The calculation of this length was made in 1795, and was adopted by the French Government as the unit.

One of the principal advantages of the metric system is that there is one definite unit taken for each set of measures, and the remainder are powers of ten of this unit. For the construction of a table, as soon as the unit is known, the other parts are formed by the following prefixes:—

Myria	=	10,000 times.
Kilo	=	1,000 times.
Hecto	=	100 times.
Deca	=	10 times.
Deci	=	$\frac{1}{10}$ of.
Centi	=	$\frac{1}{100}$ of.
Milli	=	$\frac{1}{1000}$ of.

The reduction from one denomination to another is performed by multiplying or dividing by some power of ten. Hence there is no alteration in the figures, but simply an alteration in the position of the decimal point.

Measure of Length.

The fixed unit is the metre, which is a little longer than a yard.

1 metre	=	39·370113 inches.
1 yard	=	91·4399 centimetres.
10 millimetres (mm.)	=	1 centimetre.
10 centimetres (cm.)	=	1 decimetre.
10 decimetres (dm.)	=	1 metre.
10 metres	=	1 decametre.
10 decametres (Dm.)	=	1 hectometre.
10 hectometres (Hm.)	=	1 kilometre.
10 kilometres (Km.)	=	1 myriametre (Mm.)

The micron = $\frac{1}{1000000}$ metre is used for extremely small measures.

Measure of Area.

The unit of land measurement is 10,000 square metres, which is called a hectare. The are is, therefore, the square decametre.

1 are	=	119·603 sq. yds.
1 sq. mile	=	258·98945 hectares.
10 centiares ($\frac{1}{100}$ are)	=	1 deciare.
10 deciares ($\frac{1}{10}$ are)	=	1 are.
10 ares	=	1 decare.
10 decares	=	1 hectare.

Measure of Volume.

The unit is the cubic metre, called a stere.

1 stere	=	1·307954 cub. yds.
1 cub. yd.	=	0·7645 stere.
10 decisteres	=	1 stere.
10 steres	=	1 decastere.

Measure of Capacity.

The unit of capacity is the cubic decimetre, which is called a litre.

1 litre	=	1·75980 pints.
1 gallon	=	4·5459631 litres.
10 millilitres (ml.)	=	1 centilitre.
10 centilitres (cl.)	=	1 decilitre.
10 decilitres (dl.)	=	1 litre.
10 litres	=	1 decalitre.
10 decalitres (Dl.)	=	1 hectolitre.
10 hectolitres (Hl.)	=	1 kilolitre (Kl.).

Measure of Weight.

The unit of weight is the weight of a cubic centimetre of distilled water at 4° Centigrade, and at a normal pressure of 760 millimetres.

1 gramme	=	15·4323 grains.
1 kilogramme	=	2·20462 lbs. avdp.
1 grain	=	0·0648 gramme.
1 lb. avoirdupois	=	0·4536 kilogrm.
10 milligrammes (mg.)	=	1 centigramme
10 centigrammes (cg.)	=	1 decigramme.
10 decigrammes (dg.)	=	1 gramme.
10 grammes	=	1 decagramme.
10 decagrammes (Dg.)	=	1 hectogrme.
10 hectogrammes (Hg.)	=	1 kilogr. (Kg.).

100 kilogrammes is called a quintal.

1,000 kilogrammes is called a tonneau.

The following table gives the English equivalents for all the ordinary measures and weights of the metric system.

METRIC TABLE.

Linear Measure.

1 millimetre	0.03937 in.
1 centimetre	0·3937 in.
1 decimetre	3·937 ins.
1 metre	39·370113 ins. 3·280843 ft. 1·093614 yds.
1 decametre	10·936 yds.
1 hectometre	109·36 yds.
1 kilometre	0·62137 mile.

Square Measure.

1 sq. centimetre	=	0·15500 sq. in.
1 sq. decimetre	=	15·500 sq. ins.
1 sq. metre	=	10·7639 sq. ft. 1·1960 sq. yds.
1 are		119·599 sq. yds.
1 hectare		2·4711 acres.

Cubic Measure.

1 cubic centimetre	=	0·0610 cub. in.
1 cubic decimetre	=	61·024 cub. ins.
1 cubic metre		35·3148 cub. ft. 1·307954 c.yds.

Measure of Capacity.

1 centilitre	=	0·070 gill.
1 decilitre	=	0·176 pint.
1 litre	=	1·75980 pints.
1 decalitre	=	2·200 gallons.
1 hectolitre	=	2·75 bushels.

Measure of Weight.

		Avoirdupois.
1 milligramme		0·015 grain.
1 centigramme		0·154 grain.
1 decigramme		1·543 grains.
1 gramme		15·432 grains.
1 decagramme		154·323 grains.
1 hectogramme		3·527 ounces.
1 kilogramme	=	15432·3564 grains. 2·20462 lbs.
1 quintal	=	1·968 cwt.
1 tonneau	=	0·9842 ton.

A gramme is also equivalent to 0·03215 oz. or 15·432 grains troy, and to 0·2572 drams, or 0·7716 scruples, or 15·432 grains apothecaries' weight.

MIDDLE PRICE. (Fr. *Cours moyen*, Ger. *mittlerer Preis*, Sp. *Precio medio*, It. *Prezzo medio.*)

This is the central price between those at which a dealer offers to buy and to sell. For example, if a dealer offers to buy at six, or to sell at eight, the middle price will be seven, and it is very probable that a bargain may be struck at this last-mentioned figure.

MIDDLEMEN. (Fr. *Intermédiaires*, Ger. *Vermittler*, Sp. *Intermediarios*, It. *Agenti, intermediari, mediatori.*)

Middlemen are brokers, merchants, or warehousemen, who act as intermediaries between producers and consumers, buyers and sellers, etc. Although in some trades there has been an effort made to dispense with their services, it is impossible in many cases to ignore them, owing to the extensive commerce carried on between different countries, and sometimes between different places in the same country.

MILE. (Fr. *Mille*, Ger. *Meile*, Sp. *Milla*, It. *Miglio.*)

This is the English statute mile, and consists of eight furlongs, each of 220 yards, a furlong being equal to forty poles of 5½ yards, or 16½ feet each. It is, consequently, 1,760 yards, or 5,280 feet in length.

In France, Italy, and the Netherlands, the metrical mile of 1,000 metres, or 1,093·6 English yards, is used. A kilometre, or 1,000 metres, is equal to 0·6214 of an English mile. The geographical mile, or the sixtieth part of a degree of latitude, or about 2·025 yards, is used in England and Italy. The geographical league of three such miles, or 6,075 yards, is used in England and France. In Germany, the geographical mile is one-fifteenth part of a degree of the Equator, or about four English geographical miles, viz., 8,100 yards.

MILEAGE. (Fr. *Prix par mille*, Ger. *Meilengeld*, Sp. *Derecho peaje por milla*, It. *Prezzo al miglio.*)

Mileage is the name given to fees paid by the mile for travel or conveyance.

MILREE, MILREA, or **MILREI.** (Fr. *Milreis*, Ger. *Milreis*, Sp. *Mil reis*, It. *Mille reis.*)

This is the name of a Portuguese silver coin, of the value of about 4*s.* 8½*d.*, of English money representing 1,000 reis. At par value 4·5 milreis are equal to £1.

MINT. (Fr. *Monnaie, hôtel de la Monnaie*, Ger. *Münze*, Sp. *Casa de la moneda*, It. *Zecca.*)

The mint is the name of the place where the national money is coined. There is now only one Royal Mint in England, the operations of which are carried on at Tower Hill, London. Besides the Royal Mint, there are several colonial mints. In Canada the decimal system has been adopted in the mint. The Calcutta mint is of great importance and there are also large mints at Madras and Bombay. Mints have also been established in Victoria, New South Wales, and West Australia, at Melbourne, Sydney, and Perth respectively.

All transactions between the Royal Mint and the public are conducted through the Bank of England. Any person may take bar gold, of standard fineness, of not less value than £20,000 to the Bank, and receive notes in exchange at the rate of £3 17*s.* 9*d.* per ounce. The market price of standard gold is £3 17*s.* 10½*d.* per ounce, and the difference of 1½*d.* per ounce is charged to cover interest until the gold is coined.

The word is derived from the Anglo-Saxon, *mynet*, money or coin.

MINT PAR OF EXCHANGE. (Fr. *Cours de change au pair de monnaie*, Ger. *Münzenparikurs*, Sp. *Cambio al par de moneda*, It. *Cambio al pari di moneta.*)

The mint par of exchange between any two countries means that certain amount of currency in the one which is equal to a certain amount of currency in the other, always supposing that the currencies of both countries are of the precise weight and purity fixed by their respective amounts.

MINUTE BOOK. (Fr. *Agenda, carnet*, Ger. *Protokollbuch*, Sp. *Libro de minutas*, It. *Libro dei verbali, registro.*)

This is the book which contains the minutes, or short notes of the proceedings at a meeting of any company or society.

The statutory directions as to the minutes of proceeding of meetings and directors are as follows:—

(1) Every company shall cause minutes of all proceedings of general meetings and (where there are directors or managers) of its directors or managers to be entered in books kept for that purpose.

(2) Any such minute if purporting to be signed by the chairman of the meeting at which the proceedings were had, or by the chairman of the next succeeding

meeting, shall be evidence of the proceedings.

(3) Until the contrary is proved, every general meeting of the company or meeting of directors or managers in respect of the proceedings whereof minutes have been so made shall be deemed to have been duly held and convened, and all proceedings had thereat to have been duly had, and all appointments of directors, managers, or liquidators, shall be deemed to be valid.

In large companies, if the business is transacted by committees, there is frequently a minute book for each committee.

Although the minute book is a most valuable record of the proceedings at any particular meeting, there is no rule which makes the minutes the only admissible evidence, and a bargain or a transaction may be made out and established against the company even though there is no record of it in the minute book. In one case so important a matter as a contract to give security by way of indemnity to directors was proved without there being any entry, and in another a person was proved to be a member of a company though there was no record of any allotment having been made to him.

An auditor should not omit an inspection of the minute book, seeing the peculiar and onerous position which he occupies and his liability for negligence in certain cases. (See *Auditor.*)

MINUTES. (Fr. *Notes du projet*, Ger. *Protokoll*, Sp. *Protocolo, minutas*, It. *Protocollo, minute.*)

Minutes are the reports of proceedings of any meetings, and are taken with a view to keeping a record of the same.

MIXED POLICY. (Fr. *Police à double fin*, Ger. *gemischte Police*, Sp. *Póliza de doble fin*, It. *Polizza mista.*)

This is the name given to a policy under which a ship is insured for voyages between two certain places for a definite period. It is a combination of a voyage and a time policy.

MOBILIER, CREDIT. (See *Credit Mobilier.*)

MOCK AUCTION. (Fr. *Fausse vente (aux enchères)*, Ger. *Scheinauktion*, Sp. *Subasta fingida*, It. *Asta simulata, asta apparente.*)

This is an auction in which the vendor or auctioneer employs and places confederates round the room to tout and bid for the goods to be sold, so as to run up the price against genuine buyers.

MONEY. (Fr. *Argent, monnaie, pièces*, Ger. *Geld, Valuta*, Sp. *Dinero, moneda*, It. *Danaro, moneta.*)

This word may mean:—

(1) That which is minted or coined.

(2) Pieces of stamped metal used in commerce.

(3) Any currency used as the equivalent of coined money.

MONEY CHANGERS. (Fr. *Changeurs*, Ger. *Geldwechsler*, Sp. *Cambistas de moneda*, It. *Cambiavalute.*)

These are persons who deal in the moneys of different countries.

MONEY LENDERS ACTS, 1900 and 1911. (See *Usury.*)

MONEY MARKET. (Fr. *Bourse, place*, Ger. *Geldmarkt*, Sp. *Bolsa*, It. *Mercato, borsa.*)

The general term for all dealings relating to money, such as the business of bankers, money changers, and bullion dealers.

MONEY ORDERS and **POSTAL ORDERS.** (Fr. *Mandats*, Ger. *Postanweisungen*, Sp. *Giros mutuos*, It. *Vaglia postali.*)

These are orders for money deposited at one post office and payable at another. The highest amount for which any one money order will be granted is £40. The commission charged is

For sums not exceeding £1 . .	2*d.*
For sums above £1, and not exceeding £3	3*d.*
For sums above £3, and not exceeding £10	4*d.*
For sums above £10, and not exceeding £20	6*d.*
For sums above £20, and not exceeding £30	8*d.*
For sums above £30, and not exceeding £40	10*d.*

No order may contain the fractional part of a penny. Under no circumstances will money orders issued in the ordinary course be paid on the day of issue.

The name and address of both the sender and the person to whom the money is to be paid must be given at the time of the issue of the order. An order may be crossed like a cheque, and made payable through a banker, and if payment is to be made to a company trading under a name different from the names of the persons composing it, it must be crossed. Payment may be stopped by the sender, but the Postmaster-General is in no way responsible if payment is made by mistake or negligence after notice of stoppage. Also payment may be deferred for any period not exceeding ten days.

A duplicate order will be issued in place of a lost order, on proper application being made and an extra commission of sixpence being paid.

A money order is legally void if payment is not claimed within twelve months from the month in which it was issued; but if a good reason can be given for the delay in the presentation, an application for a new order, subject to a deduction of sixpence, will always be entertained.

Money may be transmitted by telegraph money orders from any money order office in the United Kingdom, which is also a despatching office for telegrams, and may be made payable at any money order office which is also an office for the delivery of telegrams. At those offices which forward but do not deliver telegrams, telegraph money orders can be issued but cannot be paid.

No single telegraph money order can be issued for a greater amount than £40. The charges are as follows:—

(*a*) A money order poundage at the ordinary rate.

(*b*) A charge for the official telegram of advice at the ordinary rate for inland telegrams, the minimum being 9*d*.

(*c*) A supplementary fee of 2*d*. for each order.

In addition to the commission, a charge is made at the ordinary inland rate for the official telegram, authorising payment at the office of payment, the minimum being ninepence; and, if the order is to be delivered at the address of the payee, the proper charge for porterage must be prepaid. The telegraph charges cover only the cost of transmitting the official telegram of advice to the postmaster of the office of payment and its repetition. Any telegraphic communication which the remitter may wish to despatch to the payee must be paid for at the ordinary inland rate, the minimum charge being ninepence.

Except in cases in which the telegraphic money orders are delivered at the address of the payee, any person expecting such remittance must furnish satisfactory evidence that he is the person named in the order. He or some other person on his behalf must attend at the office to obtain payment.

Foreign Money Orders.—Money can be sent by means of foreign or colonial money orders to almost every foreign country or colony. There are special requisition forms which can be obtained gratuitously at all money order offices.

The scale of commission is—	*s.*	*d.*
For sums not exceeding £1 . .	0	3
For sums above £1 but not above £2	0	6
" " £2 " " £4	0	9
" " £4 " " £6	1	0
" " £6 " " £8	1	3

and 3*d*. for every additional £2, with a maximum of £40, for which the charge is 5*s*. 3*d*. Money orders are restricted to a maximum of £10 and £20 in certain countries, particulars of which are to be found in the Post Office Guide.

By arrangement with their respective governments, telegraph money orders may be sent to and received from certain British Colonies, Dependencies, etc., and Foreign Countries which are indicated in the Post Office Guide. In certain of these countries, the telegraph money order service is restricted to particular offices, the names of which may be seen at the issuing office.

The charges made are as follows:—

(1) The money order commission at the ordinary rate for foreign money orders.

(2) A charge for the telegram of advice at the ordinary rate for telegrams addressed to the country of payment.

(3) A supplementary fee of sixpence for each order.

Postal Orders.—These are issued for different amounts, increasing by sixpences, from sixpence to one guinea, —with the exception of 20*s*. 6*d*., for which there is no provision made—at all money order offices, and many of the smaller offices which are not money order offices, in the United Kingdom, during the hours in which the office is open for the sale of stamps. They are also issued and paid in a number of British Possessions and other places abroad, a list of which is given in the Post Office Guide.

The poundage payable on postal orders is 1*d*. each for orders from 6*d*. to 15*s*., and 1½*d*. each for those of higher value.

If an order is not paid within three months from the last day of the month of issue, a commission equal to the original poundage will be charged. Postal orders which are not presented for payment within six months from the last day of the month of issue must be sent to the Money Order Department, London, with a request for payment at some specified office.

Broken amounts, but not fractions of a penny, may be made up by the use of British postage stamps not exceeding fivepence in value, nor three in number, affixed to the face of any one postal

order. Perforated stamps cannot be accepted for this purpose.

The sender of an order must fill in the name of the person to whom it is sent, and, if he so wishes, he can fill in the name of any particular money order office, when the order will be cashed at that office and no other. The insertion of the name of the paying office affords a safeguard against payment being made to a wrong person.

Every person to whom a postal order is issued should tear off and retain the counterfoil. Its production will facilitate inquiry if the order should be lost.

If any erasure or alteration is made, or if an order is cut, defaced, or mutilated, payment may be refused.

Postal orders may be crossed like money orders or cheques, and payment will then be made only through a bank.

As doubts existed at one time as to the negotiable character of postal orders, the words "not negotiable" are now printed at the top. If, therefore, a holder of a postal order, who has had the same transferred to him for value, finds that the transferor had no title to the same, he must, on demand, restore it to the rightful owner.

For a period after the outbreak of the Great War in 1914, postal orders were treated as part of the currency of the realm, and consequently were negotiable instruments.

MONOMETALLISM. (Fr. *Monométallisme*, Ger. *Einzelwahrung*, Sp. *Unidad monetaria del oro*, It. *Monometallismo.*)

A system of currency which is based upon a single standard of value, one metal alone being the legal tender for any and every amount. In England gold is the standard, whilst in India it is silver. Some countries have a double standard—one of gold and one of silver. The double standard is called "bimetallism."

MONOPOLISE. (Fr. *Monopoliser*, Ger. *den Alleinhandel haben, monopolisiren*, Sp. *Monopolizar*, It. *Monopolizzare.*)

This term means to obtain possession of a commodity so as to be the sole seller of it.

MONOPOLIST. (Fr. *Monopoleur, monopolisateur*, Ger. *Monopolist, Alleinhändler*, Sp. *Monopolizador*, It. *Monopolista.*)

This is one who has the sole power or privilege of selling a certain commodity.

MONOPOLY. (Fr. *Monopole*, Ger. *Monopol, Alleinhandel*, Sp. *Monopolio*, It. *Monopolio.*)

This is an exclusive right secured to one or more persons to carry on some branch of trade or manufacture, in contradistinction to a freedom of trade or manufacture enjoyed by all the world. Monopolies were abolished in England in 1624, except as regards patents. (See *Patent.*)

MONTH. (Fr. *Mois*, Ger. *Monat*, Sp. *Mes*, It. *Mese.*)

In every Act of Parliament passed since 1850, the word "month" has the meaning of a calendar month, unless the contrary is expressly stated. Formerly the word signified a lunar month of twenty-eight days, and it was decided as recently as 1904 that "month" still means a lunar month, unless a calendar month is expressly or constructively implied. On a bill of exchange half a month is fifteen days.

MORATORIUM. (Fr. *Moratorium*, Ger. *Frist, Moratorium*, Sp. *Moratorium*, It. *Moratoria.*)

This means an extension of time allowed under exceptional circumstances by the Government of a country for the payment of debts. During the Franco-German War, 1870-71, a French moratory law was passed by which the maturity of bills payable in Paris was postponed for three months. The moratory legislation during the great European War has been of a much wider character, and may be still further extended. It is unnecessary to refer to it in detail.

The expression is sometimes used commercially, and it then signifies that a creditor has granted to his debtor—particularly with respect to bills of exchange—an extension of time for payment, in order that the latter may collect the necessary funds to meet his engagements.

MORTGAGE. (Fr. *Hypothèque*, Ger. *Hypothek*, Sp. *Hipoteca*, It. *Ipoteca.*)

A mortgage is a conveyance or disposition of real or of personal property by a borrower, called the mortgagor, in favour of a lender, called the mortgagee, by way of security for the repayment of money borrowed, together with interest. A mortgage of personal property is generally by way of Bill of Sale.

A mortgage of freeholds is, in law, an absolute conveyance by which the fee in the land is passed to the mortgagee subject to an agreement for the reconveyance of it to the mortgagor on repayment of the loan on a fixed day, usually at the expiration of six months from the date of the advance, with interest.

By the common law, upon failure of the mortgagor to make such repayment within the stipulated period, the mortgagee could eject the mortgagor and turn him out of possession and take the land himself. The Court of Chancery considered that this was not fair dealing as between man and man. It therefore took it upon itself to decide that after the stipulated period had elapsed the mortgagor had still the right to redeem on payment of the debt, interest, and costs, and this right is accordingly known as the "equity of redemption."

A mortgage of leasehold property is effected either by assignment or by under-lease. But it is always advisable, except in the case of registered land, for the mortgagee to take by under-lease. If the mortgage is by assignment the mortgagee becomes the tenant of the mortgagor's lessor, and therefore directly liable to perform all the covenants of the lease. But if the mortgage is by under-lease the mortgagee is a tenant of the mortgagor only, and has no direct relationship with the original lessor. If then the covenants of the lease are not performed, the lessor must take proceedings against the mortgagor, or enforce his remedies of distress, re-entry, or ejectment against the land.

A mortgage of copyholds is effected by a conditional surrender to the mortgagee being entered on the rolls of the manor, making such conditional surrender void on the repayment of the loan with interest.

The relative rights of the mortgagee and mortgagor have been the gradual outcome of rules formulated and decisions given by the Court of Chancery, embodied later and in some details varied by various statutory enactments. The following is a brief summary of the rights of a mortgagee, so far as a contrary intention is not expressed in the mortgage deed.

(1) A mortgagee has a right as of course at any time after payment of the debt has become due, to sue the mortgagor for the money.

(2) If default is made by the mortgagor in payment after three months' notice has been given by the mortgagee to the mortgagor, or if interest has become in arrear for two months, or if there has been a breach by the mortgagor of some provision contained in the mortgage deed, other than the covenant for payment of the mortgage money or interest on the fixed day, he may go into possession of the mortgaged property, or he may bring an action for foreclosure, or appoint a receiver of the rents and profits, or sue the mortgagor for the principal and interest. All these remedies may be enforced at the same time. But if he prefers to do so, the mortgagee may sell the mortgaged property by public auction or by private contract.

Foreclosure is a right of the mortgagee not given by statute or by stipulation, but it arises from the fact that the estate has been conveyed to the mortgagee, as explained above, and if after a proper demand has been made the mortgage money is not paid off, the mortgagee has the power of going to the court and claiming that an account be taken of what is due to him for principal and interest, and that in default of the mortgagor paying the same with costs on a day to be appointed by the court—usually six months after judgment—the mortgagor may be foreclosed or deprived of his equity of redemption. In other words, if the mortgagor fails to avail himself of the right conferred on him by the Court of Chancery to redeem after the day originally fixed for repayment, the mortgagee has his original right at law of becoming the possessor as well as the owner of the forfeited estate.

(3) A mortgagee has a power at any time to insure and keep insured buildings on the mortgaged property, and to add the premiums paid to his security.

(4) By exercising his power of sale the mortgagee does not take the property in lieu of the debt so as to extinguish it as he does by foreclosure, but he can sue the mortgagor for any deficiency in the money arising from the sale to meet the principal, interest, and costs of the mortgage debt. On the other hand he must, of course, pay to the mortgagor any surplus if the sale realises more than enough to pay the principal, interest, and costs.

The following is a concise statement of the rights of the mortgagor:—

(1) The old rule of equity that a mortgagor must give six months' notice if he wishes to pay off the loan has not been altered by statute, though the length of notice by the mortgagee, if he wishes to call in his money, has been fixed at three months, as above mentioned.

(2) He can at any time after giving such notice, or when the mortgagee is pursuing any of his remedies, tender the principal, interest, and costs to the

mortgagee, and, if the latter refuses to accept such tender, institute an action for redemption.

(3) He can, even when the mortgagee has taken possession, demand an account of all rents and profits received by him.

(4) He may at any time inspect his title deeds which are in the hands of the mortgagee.

(5) He has a statutory power so long as he is in possession, except in so far as a contrary intention is expressed in the mortgage deed, to make leases and contracts of tenancy of any parts of the mortgaged property—agricultural and occupation tenancies not to exceed twenty-one years, and building leases not to exceed ninety-nine years. Such leases and tenancies must take effect in possession not more than twelve months after date, and must reserve the best rent that can reasonably be obtained. They must also contain a covenant by the tenant to pay the rent, and a counterpart must be executed by the tenant.

(6) On the discharge of the mortgage moneys, he has a right to demand his property back in its integrity. In other words, on redemption he is entitled to have back that which he hypothecated unfettered, and anything which would prevent his getting it back when his obligation is fulfilled will not be permitted. In technical language, nothing will be allowed which will "clog the equity of redemption." For example, in a mortgage deed by a publican to brewers a covenant by the borrower after discharge of the mortgage to sell beer bought of the lenders only is bad, and cannot be upheld, inasmuch as the "tie" would reserve to the lender a hold on the property after redemption and make it less valuable than when it was mortgaged.

By statutory enactments the time during which a mortgagee has the right of exercising his power of foreclosure is limited to twelve years from the date when the right first accrued, or to twelve years from the time of the last payment of any part of the principal money or interest of the mortgage debt. Also if the mortgagee is in possession, the mortgagor is confined to the same limits of time for exercising his right to redeem. Likewise the remedy on a bond given in respect of a debt secured by a mortgage deed on land, and bearing the same date as the bond, will be barred by the lapse of twelve years from the last payment on account or acknowledgment.

It has been stated above that the principal is generally made repayable six months after the date of the mortgage deed. There is nothing irregular, however, in making a mortgage for a longer or shorter fixed period. But no agreement can make a mortgage irredeemable.

Leases of Mortgaged Premises.—Where a lease has been granted prior to the date of the mortgage deed, the mortgage operates as a grant of the reversion. The mortgagee is entitled to the rent in arrear, and can exercise the landlord's right of distraint. If the lessee makes payment of the rent demanded by the mortgagee, he will be exonerated from any demand on the part of the mortgagor. The law is the same in the case of a yearly tenancy.

Where a lease is granted subsequent to the date of the mortgage deed, the lessee will be a trespassor and can be evicted if the statutory power of the mortgagor or mortgagee in possession to grant leases has been rendered nonexercisable. This right, however, will be waived if it can be shown that there has been an acknowledgment of a tenancy existing on the part of the persons interested.

Equitable Mortgage.—Sometimes title-deeds are deposited, with or without a note or memorandum of the transaction, to form the security for a temporary loan. No estate passes from the mortgagor to the mortgagee. The name given to a mortgage of this kind is an "equitable mortgage." It is the creation of the Chancery Courts, and its name is equitable because at law there was no right on the part of the mortgagor to recover his title-deeds, the transaction being one which ought to be evidenced by some document in writing to satisfy the Statute of Frauds. A former Lord Chancellor thus described it on one occasion: "A proprietor of an estate goes to his banker and says, 'Take these deeds into your possession, and obtain for me £10,000 on their security.' This is a mortgage by deposit of title-deeds—an equitable mortgage—a most convenient mode of raising money. Notoriety is dispensed with, and the accommodation afforded, with every security to the lender and without the necessity for a mortgage deed."

An equitable mortgage is not the most satisfactory of securities, and should not be resorted to when the loan

required is to stand over for any length of time. In the first place, an equitable mortgagee has not a power of sale, but is compelled to rely upon his right of foreclosure. But there is also the danger of an equitable mortgagee being displaced by a legal mortgagee. For this reason a lender should always secure possession of the title-deeds, and not part with them until his money has been repaid.

The memorandum of deposit, if there is one, must be stamped with an *ad valorem* stamp duty of one shilling for every £100, or part thereof, of the charge created upon the property.

Tacking Mortgages.—Where several mortgages have been created on the same property, the mortgagees are entitled to payment according to the priority of their incumbrances. But if a third mortgagee, for example, buys up a first mortgage, which is a legal one, he can add the two mortgage debts, the first and the third, and claim precedence for the two over the second mortgage. This is called "tacking." But tacking can never take place if a later mortgagee has actual or constructive notice of the prior mortgages which have been created.

Mortgage of a Ship.—A British ship cannot be mortgaged except in the form laid down by the Merchant Shipping Act, 1894. The document must be produced to the registrar of shipping at the ship's port of registry, and recorded there, and different mortgages are recorded in the order in which they are produced to the registrar. Priority of title depends upon the date of registration of the mortgage deed, and not upon the date of the creation of the mortgage debt.

MORTGAGEE. (Fr. *Créancier hypothécaire,* Ger. *Hypothekengläubiger,* Sp. *Acreedor hipotecario,* It. *Creditore ipotecario.*)

This is the person to whom a mortgage is made or given, as a security for the advancement of money.

MORTGAGOR. (Fr. *Débiteur hypothécaire,* Ger. *Hypothekenschuldner,* Sp. *Deudor hipotecario,* It. *Debitore ipotecario.*)

This is the person who grants a mortgage to another.

MOTOR-CAR. (Fr. *Automobile,* Ger. *Automobil, Motor,* Sp. *Automovil, motor,* It. *Automobile, motore.*)

This is the name applied to the well-known vehicle, the propulsion of which is effected without external assistance.

A licence is required in respect of every motor or motor cycle, and this licence is granted by the local County Council. Formerly dependent upon the weight of the vehicle, the scale of licences has now been fixed by the Finance Act, 1909-10, as follows:—

	£	s.	d.
Motor cycles, of whatever h.p.	1	0	0
Motor-cars, not exceeding 6½ h.p.	2	2	0
Exceeding 6½ h.p., but not exceeding 12 h.p.	3	3	0
Exceeding 12 h.p., but not exceeding 16 h.p.	4	4	0
Exceeding 16 h.p., but not exceeding 26 h.p.	6	6	0
Exceeding 26 h.p., but not exceeding 33 h.p.	8	8	0
Exceeding 33 h.p., but not exceeding 40 h.p.	10	10	0
Exceeding 40 h.p., but not exceeding 60 h.p.	21	0	0
Exceeding 60 h.p.	42	0	0

There are certain reductions and exemptions, the principal of the former being in favour of medical men, who are only charged one-half of the above rates. The licence must be taken out before the 31st January of each year, or within twenty-one days of its being kept or used, if the keeping or using commences at any other part of the year.

Duty is not payable upon a motor-car which is not in use, and if the licence is taken out on or after the 1st October of any year, a reduction of one guinea is made in each of the above cases.

A licence costing 15*s.* per annum must be taken out in respect of the chauffeur (if any), as he is held to be a male servant.

In addition to the licence required by the Inland Revenue authorities, every motor-car must be registered with the council of a county or county borough, and must have a certain number and mark attached to it for the purpose of identification. This name and number must be so exhibited on the front and in the rear of the car that any person may be able to see and read the same by day or by night. The cost of registration of a motor is £1, and of a motor cycle 5*s.*

The following are the distinctive marks of the different counties and boroughs:—

Counties.—Anglesey, E.Y.; Bedford, B.M.; Berks, B.L.; Brecon, E.U.; Bucks, B.H.; Cambridge, C.E.; Cardigan, E.J.; Carmarthen, B.X.; Carnarvon, C.C.; Cheshire, M.; Cornwall, A.F.; Cumberland, A.O.; Denbigh, C.A.; Derby, R.; Devon, T.; Dorset,

F.X.; Durham, J.; Ely, Isle of, E.B.; Essex, F.; Flints, D.M.; Glamorgan, L.; Gloucester, A.D.; Hereford, C.J.; Herts, A.R.; Hunts, E.W.; Kent, D.; Lancs, B.; Leicester, A.Y.; Lincs (parts of Holland), D.O.; Lincs (parts of Kestoven), C.T.; Lincs (parts of Lindsey), B.E.; London (twelve marks), A., L.A., L.B., L.C., L.D., L.E., L.F., L.H., L.K., L.L., L.N., and L.O.; Merioneth, F.F.; Middlesex, H.; Monmouth, A.X.; Montgomery, E.P.; Norfolk, A.H.; Northants, B.D.; Northumb., X.; Notts, A.L.; Oxon., B.W.; Pembroke, D.E.; Peterborough, Soke of, F.L.; Radnor, F.O.; Rutland, F.P.; Salop, A.W.; Somerset, Y.; Southampton, A.A.; Staffs, E.; Suffolk, E., B.J.; Suffolk, W., C.F.; Surrey, P.; Sussex, E., F.P.; Sussex, W., B.P.; Warwick, A.C.; Westmoreland. E.C.; Wight, I. of, D.L.; Wilts, A.M.; Worcester, A.B.; Yorks (E. Riding), B.T.; Yorks (N. Riding), A.J.; Yorks (W. Riding), C.

County Boroughs. — Barrow-in-Furness, E.O.; Bath, F.B.; Birkenhead, C.M.; Birmingham, O.; Blackburn, C.B.; Bolton, B.N.; Bootle, E.M.; Bournemouth, E.L.; Bradford (Yorks), A.K.; Brighton, C.D.; Bristol, A.E.; Burnley, C.W.; Burton-on-T., F.A.; Bury, E.N.; Canterbury, F.N.; Cardiff, B.O.; Chester, F.M.; Coventry, D.U.; Croydon, B.Y.; Derby, C.H.; Devonport, D.R.; Dudley, F.D.; Exeter, F.J.; Gateshead, C.N.; Gloucester, F.H.; Gt. Yarmouth, E.X.; Grimsby, E.E.; Halifax, C.P.; Hanley, E.H.; Hastings, D.Y.; Huddersfield, C.X.; Hull, A.T.; Ipswich, D.X.; Leeds, U.; Leicester, B.C.; Lincoln, F.E.; Liverpool, K.; Manchester, N.; Middlesbrough. D.C.; Newcastle-on-T., B.B.; Newport (Mon.), D.W.; Northampton, D.F.; Norwich, C.L.; Nottingham, A.U.; Oldham, B.U.; Oxford, F.C.; Plymouth, C.O.; Portsmouth, B.K.; Preston, C.K.; Reading, D.P.; Rochdale, D.K.; Rotherham, F.T.; St. Helens, D.J.; Salford, B.A.; Sheffield, W.; Southampton, C.R.; South Shields, C.U.; Stockport, D.B.; Sunderland, B.R.; Swansea, C.Y.; Walsall, D.H.; Warrington, E.D.; West Bromwich, E.A.; West Ham, A.N.; West Hartlepool, E.F.; Wigan, E.K.; Wolverhampton, D.A.; Worcester, F.K.; York, D.N.

A driver must be licensed, whether he is a servant or not, and the licence is procurable from the local council. Any person may obtain a licence on payment of 5*s*., provided he is over seventeen years of age. There is no test of ability to drive imposed. The licence is valid for one year. If a conviction is recorded against a driver, the licence is indorsed. This enables the magistrates to test whether there has or has not been a previous conviction.

Generally speaking, the driver of a motor-car must observe the rules of the road. But he is compelled to stop for a reasonable period, if called upon to do so by any person who is driving or has charge of a horse, or by a police constable in uniform; and if a collision occurs, the driver must stop and supply all requisite information as to the identity of the car and its owner.

The chief complaint made against people who are in charge of motor-cars is driving at an excessive speed. The Motor-Car Act, 1903, forbids any speed greater than twenty miles per hour, and certain local authorities may, with the permission of the Local Government Board, reduce this limit to ten miles per hour. If a constable sees a person whom he suspects of driving at an excessive speed, the constable may order him to stop; and he must then inform the owner or driver of the car that it is intended to take proceedings against him. This formality may be dispensed with if the owner or driver of the car is warned of an intended prosecution by notice in writing within twenty-one days after the alleged offence has been committed. The service of a summons is not such a notice in writing.

The difficulties attending a prosecution for driving at a speed exceeding twenty miles, or in certain cases ten miles, an hour are so great that it is now the common practice for the authorities to issue a summons charging the defendant with driving in a manner dangerous to the public, and then the question of speed is less material. It is provided by the Act that the driving must be to the danger of the public, "having regard to all the circumstances of the case, including the nature, condition and use of the highway, and to the amount of traffic which actually is at the time, or which might reasonably be expected to be, on the highway." There can be little doubt that this provision of the Act of 1903 has been stretched on many occasions to a most unwarrantable extent, and that convictions have been obtained in a most unfair manner. An amendment of the law in this respect is most urgently needed.

Any prosecution under the Act is

instituted in the local police court, though there is a right of appeal to Quarter Sessions in any case when a fine of over twenty shillings is imposed. The fine means the actual penalty inflicted, and does not include the costs imposed in addition.

MULTIPLE TELEGRAMS. (Fr. *Télégrammes multiples*, Ger. *vervielfältigte Telegramme*, Sp. *Telegramas multiplicados*, It. *Telegrammi multipli.*)

Multiple telegrams are telegrams sent to several persons in the same place, or to one person at several residences or addresses in the same place.

MUSTER. (Fr. *Échantillon*, Ger. *Muster*, Sp. *Muestra*, It. *Mostra, campione, campionario.*)

This is a sample or collection of samples taken from the bulk of any article of merchandise, and serving as a specimen of the whole. The expression to "pass muster," therefore, means that the bulk is quite equal to the sample in every way, and that it will pass inspection.

MUSTER ROLL. (Fr. *Rôle d'équipage*, Ger. *Musterrolle*, Sp. *Rol de la tripulación*, It. *Ruolo dell' equipaggio.*)

The muster roll is a book kept on board ship, containing the names, ages, qualities, professions, places of residence and birth of every person on board.

MUTUAL LIFE INSURANCE COMPANY. (Fr. *Compagnie mutuelle d'assurance sur la vie*, Ger. *Lebensversicherung auf Gegenseitigkeit*, Sp. *Sociedad mutual de seguros*, It. *Compagnia mutua di assicurazione sulla vita.*)

This is a company in which there are no shareholders, but the profits belong entirely to the insured, and are divided amongst them, either by cash payments, by reduction of premiums or by periodical additions to the amounts of the policies.

MYRIAGRAMME. (Fr. *Myriagramme*, Ger. *Myriagramm*, Sp. *Miriagramo*, It. *Miriagrammo.*)

In the metric system the myriagramme is a metric measure of weight, consisting of 10,000 grammes, and equal to 22·046 lbs. avoirdupois, or 321½ troy ounces.

MYRIAMETRE. (Fr. *Myriamètre*, Ger. *Myriameter*, Sp. *Miriametro*, It. *Miriametro.*)

The myriametre is a metric measure of length, equal to about 6⅕ miles, or more correctly, to 6·214 miles.

N. This letter is used in the following abbreviations:—

N/A., No Advice (banking).
N/a., Non-acceptance.
N.B., Take Notice.
N/e., No Effects.
N/f., No Funds.
No., Number.
N/S., Not Sufficient (banking).

NAME DAY. (Fr. *Deuxième jour de liquidation*, Ger. *Erfüllungstag*, Sp. *Segundo dia de liquidaciones*, It. *Secondo giorno di liquidazione.*)

This is the second day of the settlement on the Stock Exchange. It is sometimes known as Ticket Day.

NAMED POLICY. (Fr. *Police nommée*, Ger. *benannte Police*, Sp. *Póliza nombrada*, It. *Polizza nominata.*)

A marine insurance policy is called a named policy when the name of the vessel carrying the goods insured is inserted in it.

NATIONAL DEBT. (Fr. *Dette publique*, Ger. *Staatsschuld*, Sp. *Deuda pública*, It. *Debito pubblico.*)

The national debt is the entire debt of a country, consisting of money borrowed by the Government, which either guarantees a fixed rate of interest until the debt is repaid or grants annuities for a term of years or for life.

NATIONAL INSURANCE ACTS. The first National Insurance Act was passed in 1911 and came into operation on the 15th July, 1912. Amending Acts were passed in 1913 and 1919. There can be little doubt, whatever may be the criticism with respect to the principle involved, that no more far-reaching statutes have ever been passed by a British Government, and time alone can prove their advantages or disadvantages to the nation at large. The preamble of the Act of 1911 itself is worth recording. It is as follows: "An Act to provide for insurance against loss of health and for the prevention and cure of sickness and for insurance against unemployment and for purposes incidental thereto." As the Act, therefore, divides itself naturally into two parts, sickness and unemployment, its main provisions will be considered in the light of this division.

1. Sickness.—The general scheme of the Act of 1911 was to include all employed persons, unless there was a special exemption provided with respect to them, between the ages of sixteen and seventy years. The Act applies to persons of either sex, and nationality makes no difference—an alien must be insured just the same as a British subject. Therefore, except as will be noticed directly, all persons employed in manual labour in the United Kingdom must be

insured, irrespective of their remuneration—and this includes out-workers—and all persons employed and receiving money payments under any contract of service or apprenticeship in the United Kingdom, where the remuneration does not exceed £160 per annum (increased to £250 by the Act of 1919) are likewise to be compulsorily insured. It will be seen at once how broad this statement is, and unless an employer is desirous of indulging in litigation, it is always safer to assume that his employees fall within the insurable class rather than without it, unless it is absolutely certain that they are expressly outside; for it must never be forgotten that it is the employer who is responsible for the payments of the various contributions which are required by the Acts. Moreover, it seems to be the policy of the scheme to extend rather than to restrict the number of those who must be insured. Thus, by the Act of 1913, persons employed by local authorities are expressly included, although not coming within the compass of the Act of 1911. Again, the Act of 1911 specially provides that all persons employed upon a British ship shall be insured, and also all persons engaged in plying for hire with any vehicle or vessel.

Special provisions are made as to men serving in the army and navy; but these need no further notice here. As to outworkers, a difficulty often arises, especially when there are several employers. The Insurance Commissioners are empowered to make rules as to this particular class of people, and these rules must be studied for further information. It has already been stated that aliens must be insured, if they fall within the ranks of those employed in manual labour. But the aliens are subject to certain limitations. They can only become members of an approved society on certain conditions, the State pays no contributions in respect of them, and the benefits accorded in the case of sickness are materially lower than those of British subjects. This reduction, however, does not apply in the case of aliens who were members of an approved society on the 4th May, 1911, or of a society which amalgamates with an approved society, provided that the aliens have been resident in this country for five years. It does not apply, either, in the case of aliens transferred to an approved society pursuant to any arrangement arrived at between the British Government and a foreign State.

The persons specially exempted are set out in part 2 of the first schedule of the Act of 1911. In addition to soldiers and sailors in the navy, already referred to, and the employees of local authorities—now expressly included by the Act of 1913—the following, amongst others, are outside compulsory insurance:

(1) Clerks or other salaried officials in the service of a railway or other statutory company, where the Insurance Commissioners are satisfied that provision of a satisfactory character is made as to sickness or disablement.

(2) Teachers in elementary schools, who are entitled to superannuation under former Acts.

(3) Agents employed on commission by more than one employer, unless mainly dependent upon one employer.

(4) Apprentices, learners, and children of an employer, and employees on an agricultural holding when no wages are paid.

(5) Casual workers, where the employment is not for the purpose of the employer's trade or business. But persons employed for the purposes of games must be insured, e.g., golf caddies.

(6) Wives employed by their husbands, and husbands employed by their wives.

(7) Outworkers who are employed in an occupation of such a nature as to be a subsidiary kind of employment, and not the principal means of livelihood.

(8) Members of the crew of a fishing vessel, where the remuneration is made by means of shares in the profits of the gross earnings or otherwise in accordance with any custom or practice prevailing at any particular port, provided that the Insurance Commissioners are satisfied with the working of the same.

There is also another class of persons who are exempted from the class of the compulsorily insured, and it is here necessary to set out in full section 2 of the Act of 1911:—

"Where any person employed within the meaning of this part of this Act proves that he is either—(*a*) in receipt of any pension or income of the annual value of £26 or upwards not dependent upon his personal exertions; or (*b*) ordinarily and mainly dependent for his livelihood upon some other person; he shall be entitled to a certificate exempting him from the liability to

become or to continue to be insured under this part of this Act." There are special rules as to this kind of exemption which must be carefully observed. It must also be borne in mind that even when the persons themselves are exempt from compulsory insurance, the employer is not freed from his contribution. The employer must pay, and the amount of his contribution is applied to medical and sanatorium benefit.

Having arrived at a general idea as to the persons who must be insured, it is now necessary to see what is the rate of contribution and who is responsible for the same being made. It is easy to dispose of the latter point by stating at once that the employer is the person liable to see that the contributions of himself and his workmen are made. The employer is entitled, however, to deduct the amount of the employee's contribution from the workman's wages, but he must not deduct his own. If a contributor is employed by more than one person in any one week, it is the first employer who is liable for the contribution which is to be paid by the employer, subject to any regulations made in respect thereof by the Insurance Commissioners. Heavy penalties are enacted if the employer fails to carry out this part of his duties. As to the former point, the amount of the joint weekly contribution in ordinary cases is 7*d.* for a man and 6*d.* for a woman. In each case the employer pays 3*d.* and the employee the remainder. The contribution of the State is equivalent to 2*d.* per person.

A difference, however, is made when wages of the employee fall below a certain amount. If the total amount of wages is less than 15*s.* per week, the insurance money is paid as follows:—Where the amount is between 12*s.* and 15*s.* the employer pays 4*d.* and the workman 3*d.*; between 9*s.* and 12*s.*, the employer pays 5*d.* and the workman 1*d.*; less than 9*s.*, the employer pays 6*d.* and the workman nothing. If there are no wages paid the employer must still find 6*d.* As far as women are concerned, an alteration is only made when the wages are below 12*s.* per week. Thus, in the case of wages between 9*s.* and 12*s.*, the employer pays 4*d.* and the employee 1*d.*; when the wages are below 9*s.*, the employer pays 5*d.* and the employee nothing. The rates set out above are those in force in Great Britain; there is a lower rate in force for Ireland, where the benefits are different. It is also to be noted that the rates just mentioned refer to persons over the age of twenty-one. For those under that age, the rates are uniform, the subscription of the male worker being 4*d.* and of the female worker 3*d.*, the employer being responsible for 3*d.* in each case.

The contributions are collected by the employers through whom the insurance scheme is worked. The method adopted is the stamping of an insurance card. The card is printed and published by the Insurance Commissioners, and it is obtained by the insured workman either from a post office or through the approved society of which he or she is a member. The insured person hands the card to the employer, or to a servant of the employer, who is responsible for seeing that a stamp of the proper value is affixed week by week, partly his own contribution and partly that of the employee, the amount of the latter being deducted from the wages due. Each card has twenty-six divisions, and when it is filled the same must be handed by the insured person to the post office or the approved society, as the case may be, when a new card will be supplied for the ensuing half-year, to be filled up in its turn.

Instead of paying the full amount of the insurance, an employer may, under certain circumstances, be placed in a special position if he guarantees full wages to his servant for the first six weeks of sickness on the part of the employee. In such a case the employer and a male employee will each pay 1*d.* per week less by way of contribution, whilst if the employee is a female, the employer will pay ½*d.* less and the employee 1*d.* less. This modified rate does not apply where the wages are less than 10*s.* per week. At the end of the six weeks the employee becomes entitled to the ordinary benefits of the Act.

Contributions are not payable during unemployment, but the accumulation of arrears may affect the rate of benefit. No notice, however, is taken of any arrears when they arise through unemployment occasioned by sickness. Three weeks in a year is the limit allowed for which no reduction will be made for failure to pay during unemployment. Medical, sanatorium, and maternity benefits, however, are not suspended until the contributions are twenty-six weeks in arrear.

In addition to those who must be

compulsorily insured and those who may be "optionally" insured, there is another class provided for, namely, voluntary contributors. These are persons under the age of 65, who, although not "employed persons" under the Act, are engaged in some regular occupation, and are mainly dependent upon their labour for their livelihood. The contributions of such persons vary according to age, but for those who became insured after the 15th January, 1913, the rates are as follows:—

Age.	*Contribution.* s. d.
16 and under 18	0 7
18 " " 25	0 $7\frac{1}{2}$
25 " " 31	0 8
31 " " 35	0 $8\frac{1}{2}$
35 " " 39	0 9
39 " " 42	0 $9\frac{1}{2}$
42 " " 44	0 10
44 " " 46	0 $10\frac{1}{2}$
46 " " 48	0 11
48 " " 50	0 $11\frac{1}{2}$
50 " " 51	1 0

and rising therefrom to 1*s.* $4\frac{1}{2}$*d.* for those from 60 to 61, and 1*s.* 5*d.* from 61 to 65. In the case of women the contributions are somewhat reduced.

In the case of voluntary contributors the State also contributes 2*d.* towards every 9*d.* expended on benefits and the cost of administration.

As the business man is mainly concerned with seeing to the payment of the contributions, and is liable to heavy penalties for any infringement of his duties, the only provisions in the Act which affect him personally have here been considered. Into the details of management and into the nature of the benefits accruing it is unnecessary to enter. If a workman is in receipt of compensation under the Workmen's Compensation Act, he gets no insurance benefit if the weekly compensation is equal to or exceeds what he is entitled to under the National Insurance Act.

II. Unemployment. — The second part of the Act of 1911 deals with unemployment, and the management of the same is under the control of the Board of Trade. At present only a certain number of trades are included in the Act, and they are set out in the sixth schedule, being connected with building, construction of works, shipbuilding, mechanical engineering, ironfounding, construction of vehicles, and saw-milling. With the exception of indentured apprentices, all workmen engaged in the above trades over the age of 16 must be insured. Some difficulty has arisen as to who are and who are not engaged in the above trades, and there are still doubts periodically cropping up which await solution. Inquiries should be made upon the matter at the Labour Exchanges.

As in the case of sickness insurance, the unemployment funds are derived from three sources, namely, the workman, the employer, and the State, their contributions being $2\frac{1}{2}$*d.*, $2\frac{1}{2}$*d.*, and $1\frac{2}{3}$*d.* per week respectively. If the workman is under 18 years of age, the weekly contribution is 1*d.* both for him and for his employer. When a workman is employed for only one day a week the contribution is also only 1*d.*; when employed for two days 2*d.* Any period of employment in excess of two days is considered as employment for a week.

The employer is responsible for the collection of the contributions of the workmen, which he may deduct from his wages, as well as for the payment of his own share, and cards are used for this kind of insurance also, the cards being obtainable at the Labour Exchange. If an employer retains a workman in his employment for a whole year, the Board of Trade may refund to him one-third of the total amount paid by him into the unemployment fund. Again, if an employer undertakes to pay full wages during times of depression, he may have the whole of his contributions returned.

As in the former case, it is not proposed to go into any details as to management and benefits. Full particulars as to the latter can easily be obtained by applying to one of the Labour Exchanges, where information can also be gained as to the cases in which the benefits will be withheld.

NATURALISATION. (Fr. *Naturalisation*, Ger. *Einbürgerung, Naturalisierung*, Sp. *Naturalización*, It. *Naturalizzazione.*)

Naturalisation is the name given to the proceedings by which an alien subject is enabled to divest himself of his nationality and become the subject of another country. Each State has its own laws as to the matter. In the United Kingdom, generally speaking, it is effected by means of residence for a certain period, the payment of fees to the amount of £3, and the approval of the Home Secretary. For full particulars application must be made to the Home Office. (Until quite recently the fees amounted to £6, and it must be understood that the

present fees of £3 may be altered at any time.)

Naturalisation in the United Kingdom rests upon the British Nationality and Status of Aliens Act, 1914, which has replaced the Naturalisation Act, 1870. Its important sections, as to naturalisation, are the following:—

"2. (1) The Secretary of State (i.e., the Home Secretary) may grant a certificate of naturalisation to an alien who makes an application for the purpose and satisfies the Secretary of State—

(*a*) that he has either resided in His Majesty's dominions for a period of not less than five years in the manner required by this section, or been in the service of the Crown for not less than five years within the last eight years before the application; and

(*b*) that he is of good character and has an adequate knowledge of the English language; and

(*c*) that he intends if his application is granted either to reside in His Majesty's dominions or to enter or continue in the service of the Crown.

(2) The residence required by this section is residence in the United Kingdom for not less than one year immediately preceding the application, and previous residence, either in the United Kingdom or in some other part of His Majesty's dominions, for a period of four years within the last eight years before the application.

(3) The grant of a certificate of naturalisation to any such alien shall be in the absolute discretion of the Secretary of State, and he may, with or without assigning any reason, give or withhold the certificate as he thinks most conducive to the public good, and no appeal shall lie from his decision.

(4) A certificate of naturalisation shall not take effect until the applicant has taken the oath of allegiance.

(5) In the case of a woman who was a British subject previously to her marriage to an alien, and whose husband has died or whose marriage has been dissolved, the requirements of this section as to residence shall not apply, and the Secretary of State may in any other special case, if he thinks fit, grant a certificate of naturalisation, although the four years' residence or five years' service has not been within the last eight years before the application.

"3. (1) A person to whom a certificate of naturalisation is granted by a Secretary of State shall, subject to the provisions of this Act, be entitled to all political and other rights, powers, and privileges, and be subject to all obligations, duties, and liabilities, to which a natural-born British subject is entitled or subject, and, as from the date of his naturalisation, have to all intents and purposes the status of a natural-born British subject.

(2) Section 3 of the Act of Settlement (which disqualifies naturalised aliens from holding certain offices) shall have effect as if the words 'naturalised or' were omitted therefrom.

"4. The Secretary of State may in his absolute discretion, in such cases as he thinks fit, grant a special certificate of naturalisation to any person with respect to whose nationality as a British subject a doubt exists, and he may specify in the certificate that the grant thereof is made for the purpose of quieting doubts as to the right of the person to be a British subject, and the grant of such a special certificate shall not be deemed to be any admission that the person to whom it was granted was not previously a British subject.

"5. (1) Where an alien obtains a certificate of naturalisation, the Secretary of State may, if he thinks fit, on the application of that alien, include in the certificate the name of any child of the alien born before the date of the certificate and being a minor, and that child shall thereupon, if not already a British subject, become a British subject; but any such child may, within one year after attaining his majority, make a declaration of alienage, and shall thereupon cease to be a British subject.

(2) The Secretary of State may, in his absolute discretion in any special case in which he thinks fit, grant a certificate of naturalisation to any minor, although the conditions required by this Act have not been complied with.

(3) Except as provided by this section, a certificate of naturalisation shall not be granted to any person under disability.

"6. An alien who has been naturalised before the passing of this Act may apply to the Secretary of State for a certificate of naturalisation under this Act, and the Secretary of State may grant to him a certificate on such terms and conditions as he may think fit.

"7. (1) Where it appears to the Secretary of State that a certificate of naturalisation granted by him has been obtained by false representation or fraud, the Secretary of State may by order revoke the certificate, and the order of revocation

shall have effect from such date as the Secretary of State may direct.

(2) Where the Secretary of State revokes a certificate of naturalisation, he may order the certificate to be given up and cancelled, and any person refusing or neglecting to give up this certificate shall be liable on summary conviction to a fine not exceeding one hundred pounds.

" 8. (1) The Government of any British possession shall have the same power to grant a certificate of naturalisation as the Secretary of State has under this Act, and the provisions of this Act as to the grant and revocation of such a certificate shall apply accordingly, with the substitution of the Government of the possession for the Secretary of State, and the possession for the United Kingdom, and also, in a possession where any language is recognised as on an equality with the English language, with the substitution of the English language or that language for the English language:

Provided that in any British possession other than British India and a dominion specified in the first schedule to this Act (*i.e.*, Canada, Australia, New Zealand, South Africa, and Newfoundland) the powers of the Government of the possession under this section shall be exercised by the governor or a person acting under his authority, but shall be subject in each case to the approval of the Secretary of State, and any certificate proposed to be granted shall be submitted to him for his approval.

(2) Any certificate of naturalisation granted under this section shall have the same effect as a certificate of naturalisation granted by the Secretary of State under this Act.

" 9. (1) This part of this Act shall not, nor shall any certificate of naturalisation granted thereunder, have effect within any of the dominions specified in the first schedule to this Act, unless the legislature of that dominion adopts this part of this Act.

(2) Where the legislature of any such dominion has adopted this part of this Act, the Government of the dominion shall have the like powers to make regulations with respect to certificates of naturalisation and to oaths of allegiance as are conferred by this Act on the Secretary of State.

(3) The legislature of any such dominion which adopts this part of this Act may provide how and by what department of the Government the powers conferred by this part of the Act on the Government of a British possession are to be exercised.

(4) The legislature of any such dominion may at any time rescind the adoption of this part of this Act, provided that no such rescission shall prejudicially affect any legal rights existing at the time of such rescission."

In the case of a woman, she was always presumed to follow the nationality of her husband, taking that which he had at the date of the marriage—just as she took his domicil—and changing the nationality whenever he changed his. Infant children were in the same position, that is, the nationality as well as the domicil of the father decided the nationality and the domicil of all the children under age. Some change was made in the law by the Act of 1914, and the national status of married women and infant children is thus dealt with:—

" 10. The wife of a British subject shall be deemed to be a British subject, and the wife of an alien shall be deemed to be an alien: Provided that where a man ceases during the continuance of his marriage to be a British subject it shall be lawful for his wife to make a declaration that she desires to retain British nationality, and thereupon she shall be deemed to remain a British subject.

" 11. A woman who, having been a British subject, has by, or in consequence of, her marriage become an alien, shall not, by reason only of the death of her husband, or the dissolution of her marriage, cease to be an alien, and a woman who, having been an alien, has by, or in consequence of, her marriage become a British subject, shall not, by reason only of the death of her husband or the dissolution of her marriage, cease to be a British subject.

" 12. (1) Where a person being a British subject, ceases to be a British subject, whether by declaration of alienage or otherwise, every child of that person, being a minor, shall thereupon cease to be a British subject, unless such child on that person ceasing to be a British subject, does not become by the law o any other country naturalised in tha country: Provided that, where a widow who is a British subject marries an alien, any child of hers by her form husband shall not, by reason only of her marriage, cease to be a British subject, whether he is residing outside His Majesty's dominions or not.

(2) Any child who has so ceased to be a British subject may, within one year

after attaining his majority, make a declaration that he wishes to resume British nationality, and shall thereupon again become a British subject."

By the Act of 1914 provision is also made as to loss of nationality by a British subject. The following sections deal with the point:—

"13. A British subject who, when in any foreign state and not under disability, by obtaining a certificate of naturalisation, or by any other voluntary and formal act, becomes naturalised therein, shall thenceforth be deemed to have ceased to be a British subject.

"14. (1) Any person who by reason of his having been born within His Majesty's dominions and allegiance or on board a British ship is a natural-born British subject, but who at his birth or during his minority became under the law of any foreign state a subject also of that state, and is still such a subject, may, if of full age and not under disability, make a declaration of alienage, and on making the declaration shall cease to be a British subject.

(2) Any person who though born out of His Majesty's dominions, is a natural-born British subject, may, if of full age and not under disability, make a declaration of alienage, and on making the declaration shall cease to be a British subject.

"15. Where His Majesty has entered into a convention with any foreign state to the effect that the subjects or citizens of that state to whom certificates of naturalisation have been granted may divest themselves of their status as such subjects, it shall be lawful for His Majesty, by Order in Council, to declare that the convention has been entered into by His Majesty; and from and after the date of the order any person having been originally a subject or citizen of the state therein referred to, who has been naturalised as a British subject, may, within the limits of time provided in the convention, make a declaration of alienage, and on his making the declaration he shall be regarded as an alien and as a subject of the state to which he originally belonged as aforesaid.

"16. Where any British subject ceases to be a British subject, he shall not thereby be discharged from any obligation, duty, or liability in respect of any act done before he ceased to be a British subject."

As before stated, the rules here given as to naturalisation apply to the United Kingdom alone, and the defects exhibited during the Great War will no doubt cause a speedy alteration in various particulars, especially as it has been made clear that a German can, by his law, become naturalised in another country without losing all the privileges which would attach to him in his own country if he had not altered his status.

As the law stands at present, an alien who is naturalised becomes entitled to all the privileges of a natural-born British subject. He is eligible for any public office. He can be made a Privy Councillor. But the British Government declines to afford protection to a naturalised person who, on returning to his former country, is subjected to any difficulties or penalties to which he was liable in his native land prior to his naturalisation.

An alien who is naturalised in a British Dominion does not thereby become a naturalised subject in the United Kingdom as a matter of course. He may still be an alien here in spite of his naturalisation.

NAUTICAL ASSESSORS. (Fr. *Assesseurs nautiques, taxateurs marins,* Ger. *nautische Assessoren, Schätzer, Taxatoren,* Sp. *Tasadores náuticos,* It. *Tassatori nautici.*)

These are the members of Trinity House (*q.v.*), who sometimes sit with the judges exercising Admiralty jurisdiction to assist them upon Admiralty matters.

NAVY BILLS. (Fr. *Billets maritimes,* Ger. *Marinenoten,* Sp. *Vales de marina,* It. *Effetti della marina, cambiali della marina.*)

There are two kinds of these bills—one issued by the Admiralty in payment of stores for ships and dockyards, and the other drawn at short date by officers in the navy on the Accountant-General for pay due to them. These latter bills are readily purchased at foreign stations as convenient remittances on London.

NECESSARIES. (See *Contract* and *Infant.*)

NEGOTIABLE DOCUMENTS or **INSTRUMENTS.** (Fr. *Documents négociables,* Ger. *verkäufliche Dokumente,* Sp. *Documentos negociables,* It. *Documenti girabili, documenti negoziabili.*)

and

NEGOTIABLE PAPER. (Fr. *Papier négociable,* Ger. *übertragbare Papiere,* Sp. *Papel negociable,* It. *Effetti o carte girabili o negoziabili.*)

These are the documents, instruments, or paper which, on being transferred *boná fide* from one person to another, convey to the transferee a legal right to the property named therein, free from

the claims of any other person whatsoever. The most familiar examples are coin of the realm, bills of exchange, and promissory notes. To those may be added Government bonds, dock warrants, foreign Government bonds, and all instruments to which by the law merchant or by statute the character of negotiability attaches. It was thought until recently that the list of negotiable instruments was fixed, but it has been decided that where a mercantile usage has been proved to treat as negotiable such instruments as the debentures of an English company, the court will give effect to the usage, even though it is of recent origin only.

Negotiability must be distinguished from assignment. Thus, a bill of lading is assigned by indorsement, and the indorsee can sue upon the document, but it is not a negotiable instrument.

NET or **NETT.** (Fr. *Net (produit)*, Ger. *Nettobetrag*, Sp. *Neto producto*, It. *Netto, esatto.*)

This word may mean: —

(1) The amount of any charge or cost after all deductions have been made.

(2) The actual amount when no deductions of any kind are allowed.

NET or **NETT WEIGHT.** (Fr. *Poids net*, Ger. *Netto-* or *Reingewicht*, Sp. *Neto peso*, It. *Peso netto.*)

This is the actual weight of goods themselves without reckoning the package in which they are enclosed, and after allowances have been deducted for waste, turn of the scale, etc.

NISI PRIUS. (Fr. *Nisi prius*, Ger. *Nisi prius, Grafschaftsgericht*, Sp. *Nisi prius*, It. *Nisi prius.*)

This name is usually given in England to the sittings of the courts in the first instance in civil cases. The phrase is derived from the first two words of the old Latin writ, which summoned the parties to appear at Westminster, "unless before" the appointed day the judges should come into the county.

NO FUNDS. (Fr. *Pas d'encaisse*, Ger. *kein Guthaben*, Sp. *No tiene fondos*, It. *Senza fondi.*)

This is a term which is sometimes put upon cheques by bankers when cheques have been paid into a bank for collection, but are returned by them to the senders as the parties giving the cheques have no funds to meet them.

NOMINAL. (Fr. *Nominal*, Ger. *nominal-, nenn-*, Sp. *Nominal*, It. *Nominale.*)

This word means "in name only." It is used in various combinations, as nominal accounts, nominal capital, nominal consideration, nominal damages, nominal exchange, nominal partner, and nominal value.

NOMINAL PARTNER. (Fr. *Associé fictif*, Ger. *Nominalteilhaber*, Sp. *Socio nominal*, It. *Socio nominale, testa di legno.*)

A nominal partner is a person who has no real interest in a business carried on under, or styled with his name, but who allows his name to be used in connection with it. If he holds himself out as apparently having an interest in the business he is liable for the debts as though he were a partner. A person often continues as a nominal partner in a business after he has retired from it, when it is thought that a change of name might damage the reputation which the business previously enjoyed.

By the Limited Partnerships Act, 1907, it is possible for a person who occupies the position of a nominal partner to limit his liability under certain conditions. (See *Partnerships.*)

NOMINAL PRICE. (Fr. *Prix fictif*, Ger. *Nominalpreis*, Sp. *Precio nominal*, It. *Prezzo nominale.*)

The nominal price is the price given as the nearest market value of goods and securities which are but little dealt in, it being understood that the price exists in name only, and that business may or may not be done at it.

NOMINEE. This word means either—

(1) (Fr. *Personne dénommée*, Ger. *Empfänger einer Leibrente*, Sp. *Persona nombrada*, It. *Persona nominata.*)

One on whose life an annuity or a lease depends.

(2) (Fr. *Nominataire*, Ger. *Ubernehmer*, Sp. *Nominatario, nombrado*, It. *Eletto, nominatario.*)

One who is named, and put forward in any transaction instead of the real person who is interested.

NON-SUIT. (Fr. *Désistement, Ordonnance de non-lieu*, Ger. *Zurückweisung*, Sp. *Deserción de causa*, It. *Ordine di non luogo a procedere.*)

The withdrawal of a suit at law, either voluntarily or by the judgment of the court, is called a non-suit.

NOTARY PUBLIC. (Fr. *Notaire*, Ger. *öffentlicher Notar*, Sp. *Notario público*, It. *Notaro.*)

This is an officer who certifies deeds and other documents. The name "notary" originated in Rome, where the Latin name given to a writer was *notarius*.

The duties of a notary include

(1) The attestation, copying, and

translation of documents, so as to render them valid when sent abroad.

(2) The presentation of dishonoured bills of exchange, and noting their non-acceptance or non-payment, and afterwards protesting them if required.

NOTE-BOOK. (Fr. *Carnet*, Ger. *Notizbuch*, Sp. *Agenda, libro de notas*, It. *Libro di appunti o note, taccuino.*)

This is a book in which orders or memoranda are written.

NOTE OF HAND. (Fr. *Promesse, billet*, Ger. *Handschuldschein*, Sp. *Pagaré*, It. *Vaglia cambiario.*)

This is a common name for a promissory note.

NOTING A BILL. (Fr. *Noter, protester*, Ger. *notieren, protestieren*, Sp. *Notificación, protesto*, It. *Appuntare una cambiale nel protocollo notarile.*)

This is the recording on the face of a bill of exchange, by a notary public, the fact of a refusal of acceptance or payment as a ground of protest. When a bill of exchange has been presented for acceptance or payment, and returned unaccepted or unpaid, the holder applies to a notary public, who presents the bill a second time; and if it is not then accepted or paid, he notes the facts of the case upon the bill and upon a slip of paper, which he attaches to the bill.

NOT NEGOTIABLE. (Fr. *Innégociable*, Ger. *nicht ubertragbar*, Sp. *No negociable*, It. *Non girabile, non negoziabile.*)

These words are very frequently written across the face of a cheque, and the effect of them is to limit the rights of a holder, even though he is a holder in due course. They destroy the negotiable character of the instrument. But they in no way prohibit the transfer of the document. It may pass from hand to hand just as freely as though the words were not there; but if it happens that the transferor had any defect of title, the transferee takes it subject to the same defect. Amongst negotiable instruments it is only crossed cheques which can be treated in this manner. The marking of postal orders as "not negotiable" is only a matter of caution to the public.

NOVATION. (Fr. *Novation*, Ger. *Neuerung*, Sp. *Novación*, It. *Novazione.*)

Novation in law means the substitution of a new party to a contract in place of the original one. A creditor can always assign his rights to another person, subject to the equities, but a new debtor cannot take the place of the former without the consent of the two original parties and the substitute. The assent of the creditor may be express or implied, but by the Life Assurance Companies Act, 1872, it is provided that where a company has transferred its interest or been amalgamated with another company, the fact that a policy-holder has paid premiums to the new company shall not be deemed to be an abandonment of his rights against the old company. The abandonment of the right against the old company and the acceptance of the liability of the new one must be signified in writing, signed by the holder of the policy, or by his agent.

NUDUM PACTUM. This is a Latin phrase, meaning an agreement made without any consideration. Such an agreement, unless under seal, gives no right of action.

NURSE AN ACCOUNT. (Fr *Retenir par devers soi*, Ger. *ein Konto zurückhalten*, Sp. *Hacer un préstamo en valores sin mercado*, It. *Tenere un conto in sospeso.*)

Sometimes a banker makes an advance upon an unmarketable or other security, and afterwards finds that if the loan were called up the party would be unable to pay, and the bank sustain a loss. Instead, therefore, of realising the security at once, at the best price it will fetch, the banker locks it up, hoping, eventually, to sell at a profit, or that the borrower will be able to redeem his pledge, and pay the interest upon it. This is called "nursing an account."

O. This letter is used in the following abbreviations:—

°, Degree.
O/a., On account.
O/d., On demand.
°/₀, Per cent.
°/₀₀, Per mille—per thousand.
O.S., Old Style.

OBLIGATIONS. (Fr. *Obligations*, Ger. *Obligationen*, Sp. *Obligaciones*, It. *Obbligazioni.*)

Obligations are acts which bind persons to the performance of specific things. The name is often given to the bonds or shares of foreign railway companies.

OBSCURATION. (Fr. *Différence de degrés alcooliques*, Ger. *verborgener Alkoholgehalt*, Sp. *diferencia de la fuerza del licor*, It. *Differenza del grado alcoolico.*)

This is defined by the Customs as "the amount of proof spirit hidden, or 'obscured,' by matter in solution in the spirituous liquor; in other words, the difference between the true or actual

strength and that indicated by the hydrometer."

OCTAVO. (Fr. *In-octavo*, Ger. *Oktavformat*, Sp. *Octante*, It. *Ottavo, formato in ottavo.*)

This is a book, or sheet of a book, having eight leaves to the sheet. The word is generally contracted into 8vo.

OCTROI. This word has two meanings:—

1. (Fr. *Octroi*, Ger. *Handelsprivilegium*, Sp. *Octroi*, It. *Concessione di diritti exclusivi di commercio.*)

A grant of exclusive trading rights.

2. (Fr. *Octroi*, Ger. *Accise*, Sp. *Consumos*, It. *Dazio di consumo.*)

A tax levied at the gates of a city on articles brought into the city.

OFFER. (See *Contract.*)

OFFICIAL LIST. (Fr. *Liste officielle*, Ger. *offizielle Liste*, Sp. *Lista oficial*, It. *Listino ufficiale.*)

This is the list of prices and dealings in stocks and shares issued under the authority of the Stock Exchange Committee.

OFFICIAL RECEIVER. (Fr. *Syndic*, Ger. *öffentlicher Massenverwalter*, Sp. *Síndico de una quiebra*, It. *Curatore del fallimento.*)

This is the officer appointed by the Board of Trade under the Bankruptcy Act, 1914, to perform certain duties in the bankruptcy of any person, and especially to take charge of the debtor's estate as soon as a receiving order has been made against him. To these duties have been added many corresponding ones in the winding-up of companies.

For the purposes of the administration of the Bankruptcy Act the country has been divided into districts, with an official receiver for each.

1. *Bankruptcy.*—The duties of the official receiver are concerned both with the conduct of the debtor and also with his estate. And the general supervision which he exercises as to each continues even after the trustee in bankruptcy has been appointed. As to conduct, the official receiver is required:—

(*a*) To furnish the debtor, against whom a receiving order has been made, with a copy of instructions and all the necessary forms for the preparation of his statement of accounts;

(*b*) To investigate the circumstances of the case and to report to the court whether there is reason to believe that the debtor has been guilty of any misdemeanour under the Bankruptcy Act;

(*c*) To make another report as to the conduct of the debtor during the bankruptcy proceedings, upon which the court will act when an application is made for discharge, or for the approval of a composition or scheme;

(*d*) To take part in the public examination of the debtor, as authorised by the Board of Trade, either personally or by means of a solicitor or counsel;

(*e*) To take such part in the prosecution of fraudulent debtors as the Board of Trade may direct.

With respect to the property of the debtor, the official receiver's duties are—

(*a*) To act as receiver of the same until a trustee is appointed; and also as manager, where a special manager is not appointed;

(*b*) To act as trustee during any vacancy in the office, and in the case of small bankruptcies to act as trustee throughout;

(*c*) To authorise any special manager to raise money or make advances for the purposes of the estate where it appears beneficial to do so;

(*d*) To summon and preside over the first meeting of creditors, and to acquaint the creditors with any proposed scheme on the part of the debtor for liquidating his affairs.

(*e*) To advertise all the proceedings that are required to be so done by statute.

(*f*) To render full accounts of all matters in connection with the estate to the Board of Trade.

The official receiver has all the powers of a trustee in bankruptcy, whenever he is acting in that capacity. He can, if any of the creditors desire it, give instructions that the business of the debtor shall be continued, and appoint a special manager for that purpose. Also if any of the property consists of perishable goods, he can dispose of them on the best terms obtainable, whilst with respect to other property he is not liable for incurring any ordinary expense in the preservation of it. He has full power to administer oaths for the purpose of affidavits, verifying proofs and petitions, and for all other proceedings under the Bankruptcy Act.

2. *Company Winding-up.*—When an order is made by the court for the winding-up of a joint-stock company, the official receiver acts as liquidator until another person is appointed to act, just as in bankruptcy he acts as trustee until a trustee in bankruptcy is appointed. He is likewise the person to act during any vacancy in the office.

His first duty on the winding-up order being made is to obtain a statement of the affairs of the company from the officials of the company, and for this purpose special forms are supplied, as in bankruptcy. This statement of affairs should be prepared as early as possible, and a summary of it forwarded to each contributory and each creditor before the holding of the first meeting.

The second duty of the official receiver is to prepare a report as to the company, setting forth the amount of the capital, whether issued, subscribed, or paid up, the estimated assets and liabilities, the cause of the failure of the company (if it is insolvent), and the desirability of inquiry being made into the circumstances connected with its promotion, formation, and failure. If there are any grounds for suspecting any fraud committed by any person in connection with the company, the official receiver may issue a further report, and the court may, upon such report, order any promoter, director, or other official to be publicly examined as to the same. The official receiver must take part in this public examination either personally or, with the permission of the Board of Trade, through the medium of a solicitor and counsel.

The official receiver summons the first meetings of the creditors and contributories, and acts as chairman in each case. And so long as he acts as liquidator he has all the powers given to that official with respect to the conduct of the liquidation, that is, he must do what is best for both the creditors and the contributories in dealing with the estate, realising at once where it is necessary to do so, and preserving, even at the cost of the estate, what is likely to prove of benefit at a later period. (See *Liquidator.*)

OLD AGE PENSIONS ACTS. Under the Old Age Pensions Acts of 1908 and 1911, pensions are payable by the State to every person of the age of 70 or upwards, provided that (1) his or her income does not exceed £31 10*s.* per annum; (2) he or she is a British subject, natural born or naturalised for at least twenty years, and (3) has resided for the twelve years preceding the date of claiming the pension within the United Kingdom.

The ordinary scale of pension is 5*s.* per week (now increased by 50 per cent. during the war), but the following rates are payable if the would-be pensioner has any "means," which signifies any advantage accruing or likely to accrue in the succeeding year :—

If means not above £21 a year, 5*s.*
If above £21 but not exceeding £23 12*s.* 6*d.*, 4*s.*
If above £23 12*s.* 6*d.* but not exceeding £26 5*s.*, 3*s.*
If above £26 5*s.* but not exceeding £28 17*s.* 6*d.*, 2*s.*
If above £28 17*s.* 6*d.* but not exceeding £31 10*s.*, 1*s.*

In the case of a husband and wife living together, the means of either are to be taken as one-half of their total means.

A widow is entitled to a pension if she fulfils the ordinary requirements, and if she has been married to an alien—by which, of course, her nationality becomes changed to that of her husband—she is still eligible in the same manner as a British widow. A British-born woman is also eligible if she has been deserted by her husband, British or other, for a period of two years.

OMNIUM. (Fr. *Omnium*, Ger. *Generalschuldverschreibung, Gesamtsumme an Obligationen*, Sp. *Omnium*, It. *Omnium, aggregato di valori o capitali.*)

This Stock Exchange term signifies the aggregate value of the different stocks upon which a loan is founded.

ON DEMAND. (Fr. *Sur demande, à présentation*, Ger. *bei Sicht*, Sp. *A présentación, á vista*, It. *A vista o a presentazione.*)

This phrase is inserted in bills of exchange when they are payable upon presentation. Such bills need no acceptance.

ON PASSAGE. (Fr. *En destination*, Ger. *unterwegs*, Sp. *en viaje*, It. *A destinazione, in viaggio, nella traversata.*)

This term is applied to the cargo of a vessel when it is on its voyage, but has not yet reached its destination.

ON THE BERTH. (Fr. *Mouillé*, Ger *auf der Reede*, Sp. *En el cargadero*, It. *All' ancora, ancorato.*)

This is an expression for a ship, describing her when she is either loading or discharging, or is ready to receive or to discharge.

ONE MAN COMPANY. (See *Private Company.*)

OPEN ACCOUNT. (Fr. *Compte ouvert*, Ger. *offenes Konto, offenstehende Rechnung*, Sp. *Cuenta abierta*, It. *Conto aperto, conto corrente.*)

This, in book-keeping, signifies an account which is not settled.

OPEN CHEQUE. (Fr. *Chèque ouvert, chèque non-barré*, Ger. *offene Check*, Sp.

Cheque abierto, cheque en blanco, It. *Cheque non-sbarrato.*)

Every cheque is either an open cheque or a crossed cheque. A crossed cheque cannot be paid except through a banker. An open cheque may be paid over the counter, provided it is regular in form, and indorsed with the name of the payee if made payable to order.

OPEN CREDIT. (Fr. *Crédit ouvert*, Ger. *offener Kredit*, Sp. *Crédito abierto*, It. *Credito in bianco, credito aperto.*)

This is the name given to a letter of credit which contains an unconditional request to pay money to another person.

OPEN POLICY. (Fr. *Police ouverte*, Ger. *offene Police*, Sp. *Póliza abierta*, It. *Polizza aperta.*)

In marine insurance, an open policy is one in which the value of the goods, etc., carried is not fixed, but a certain amount provisionally insured, leaving the declaration of the goods and their value to be named subsequently. If it should be discovered afterwards that the amount insured is insufficient to cover the value of the goods, an additional insurance is effected, and a supplemental policy obtained. But if, on the other hand, the value of the goods is less than the sum insured, there is said to be an "over insurance," and the difference is called "short interest." A declaration of this sum being at once made on the policy entitles the insured to a proportionate return of the premium paid.

OPTIONS. (Fr. *Réponse des primes*, Ger. *Differenzgeschäfte*, Sp. *Opciones*, It. *Opzioni.*)

This is a mode of speculating on the Stock Exchange, where a person pays down so much per cent. (or so much per share), for the option of buying or selling so much stock (or so many shares) at a fixed price on a certain day, thus limiting his liability or possible loss to a fixed amount. The option to buy is termed a "call"; the option to sell a "put"; and the double option to buy or sell a "put and call." The "put of more" means that the seller of a stated amount has the option of selling double the quantity; the "call of more," that the buyer of a stated amount has the option of buying twice the quantity.

Other markets besides the Stock Exchange deal extensively in options, and in all of them the terms "put" and "call" have the same meanings as above. But the "put of more" and the "call of more" are known on some exchanges as an "option to double," the former being called the "seller's option to double." and the latter the "buyer's option to double."

ORDER XIV. This is the name given in legal circles to the procedure by which judgment is sought in the High Court in the most expeditious manner. If the writ to an action can be "specially indorsed," that is, if the claim put forward by the plaintiff is one of those included in Order III, rule 6, of the Rules of the High Court, namely, a claim for a debt or a liquidated sum or money payable by the defendant, with or without interest, arising (*a*) upon a contract, express or implied, e.g., on a bill of exchange, promissory note, or cheque, or other simple contract debt; (*b*) on a bond or contract under seal for payment of a liquidated sum of money (*c*) on a statute where the sum sought to be recovered is a fixed sum of money or in the nature of a debt other than a penalty; (*d*) on a guarantee, whether under seal or not, where the claim against the principal is in respect of a debt or liquidated demand only; (*e*) on a trust; (*f*) in actions for the recovery of land, with or without a claim for rent or mesne profits, by a landlord against a tenant whose term has expired, or has been duly determined by notice to quit, or has become liable for forfeiture for non-payment of rent, or against persons claiming under such tenant, the plaintiff may issue a summons for judgment after the defendant has entered an appearance to the writ, when the case will be immediately disposed of or transferred to a special list for speedy trial. Great care is required before resorting to this procedure, as if the plaintiff acts at all improperly he may be mulcted in the costs and the case will be dismissed. The procedure is called Order XIV, because it is taken under that Order of the High Court Rules. There is a somewhat similar process in the county court which is known as procedure by default summons.

ORDINARY STOCK or **SHARES.** (Fr. *Actions*, Ger. *Kapitalaktien, gewöhnliche Aktien*, Sp. *Valores ordinarios*, It. *Valori ordinari.*)

This name is given to the stock or shares of a joint-stock or other company, which do not confer any special rights or obligations upon the holders of the same. The stock or shares are postponed as to rights to preference stock or shares, and also, in certain cases, to founders' shares, but they have priority over any deferred shares. The particular

preference is determined by the memorandum or articles of association, or by any special circumstances applicable to the company.

ORIGINAL BILL. (Fr. *Billet original*, Ger. *Originalwechsel*, Sp. *Letra original*, It. *Cambiale originale o senza girata.*)

An original bill is one which has been drawn and discounted before any indorsement has been placed upon it. Such bills can never command a good price in the market unless they have been drawn and accepted by houses of the highest repute.

OUNCE. (Fr. *Once*, Ger. *Unze*, Sp. *Onza*, It. *Oncia.*)

This is a denomination of weight, from the Latin, *uncia*, signifying the twelfth part of anything. The ounce in troy weight is the twelfth part of a pound, and contains 480 grains. In avoirdupois weight, the ounce is the sixteenth part of a pound, and contains 437½ grains troy. In apothecaries' weight, the ounce is equal to eight drams. A troy ounce is equal to 31·1035 grammes, and an avoirdupois ounce to 28·3 grammes.

OUT PORT. (Fr. *Port éloigné*, Ger. *Aussenhafen*, Sp. *Puerto exterior*, It. *Porto o punto franco, porto esterno.*)

An out port is one which is situated away from the main Custom House, near London Bridge.

OUTPUT. (Fr. *Rendage, rendement*, Ger. *Angebot, Leistungsfähigkeit*, Sp. *Producción*, It. *Produzione.*)

This trade term is used to signify the deliveries or shipments of a business firm, or the quantity of goods produced, within a certain given time. The value of the output in money is called the "turnover."

OUTSIDE BROKERS. (Fr. *Coulissiers*, Ger. *nicht zugelassene Makler*, Sp. *Agentes de la acera*, It. *Mediatori non autorizzati, coulissiers.*)

Outside brokers are those stockbrokers who are not members of the Stock Exchange.

OVERALL. (Fr. *Surtout, pardessus*, Ger. *überzieher*, Sp. *Sobretodo*, It. *Soprabito.*)

This word refers to packages, and means the extreme measurements of the same.

OVER CAPITALISED. (Fr. *A capital excessif*, Ger. *mit zu grossem Kapital*, Sp. *Demasiado capitalizada*, It. *A capitale eccessivo.*)

A company is said to be over capitalised when the earning capacity of the concern is not large enough to pay interest on the capital.

FT. (Fr. *Dépasser le crédit*
Uberschreitung des ein-
redits, Sp. *Girar en exceso*
ncedido, It. *Eccedenza del*
'ato, oltrepassare il credito

ıft is the amount of cash
ıor allows his customer to
his banking account in
total moneys paid into the
ıccount. This excess is
ıred by the deposit of some
ity with the banker by the

BILL. (See *Bill of Ex-*

D PRICE. (Fr. *Prix moyen*,
hnittspreis, Sp. *Precio me-*
› medio.)
› price which includes all
charged as extras over the

URANCE. (Fr. *Surassur-*
'berversicherung, Sp. *Sobre*
'oprassicurazione, assicura-
entare.) (See *Open Policy.*)
'NAGE. (Fr. *Surabondance*
Ger. *zu viel Schiffsraum*,
los buques, It. *Soprabbon-*
.)
ıes that there are more
ıble than are required for
hich is offered.
DING. (Fr. *Commerce trop*
ılations, Ger. *überspekula-*
speculaciones, It. *Traffico*
speculazione oltre il capitale

ırading beyond the capital
a business or company.

ıter occurs in the following
:—

Power of Attorney.
Price Current.
Per Cent.
Premium.
Promissory Note.
Postal Order.
, Post Office Order.
Per Procurationem.
For.
Proximo—next.
Postscript.
, This word is used with
ı:—
ıet, Ger. *Paket*, Sp. *Paquete*,
lo.)
ale, or any other receptacle

s d'emballage, Ger. *Verpack-*
p. *Empaque, gasto de em-*
a d'imballaggio.)

The charge made for packing.

PACTION. (Fr. *Pacte*, Ger. *Pakt, Vertrag*, Sp. *Pacto, contrato*, It. *Contratto*.)

This is another name for a contract or agreement.

PAID UP CAPITAL. (Fr. *Capital versé*, Ger. *eingezahltes Kapital*, Sp. *Capital pagado*, It. *Capitale interamente versato*.)

Paid up capital is the total sum paid on the shares or stock of a company.

PAID UP SHARES. (Fr. *Actions liberées*, Ger. *vollbezahlte Aktien*, Sp. *Acciones liberadas*, It. *Azioni saldate*.)

These are the shares of a company upon which the full nominal value has been paid.

PANIC. (Fr. *Panique, terreur-panique*, Ger. *Panik, Schrecken*, Sp. *Pánico*, It. *Panico, timor panico*.)

A panic is a sudden and violent alarm which occurs when, through want of confidence, the public rushes to realise stocks, shares, and other securities, or when, owing to rumours, a bank is said to be unable to meet its liabilities, and a sudden demand is made by the depositors for the repayment of their deposits.

PAPER CREDIT. (Fr. *Crédit sur effets, papier-monnaie*, Ger. *Wechselkredit*, Sp. *Efectos de créditos, papel moneda*, It. *Effetti di credito*.)

This is the system of dealing on credit by means of acknowledgments of indebtedness written on paper.

PAPER CURRENCY. (Fr. *Papier-monnaie*, Ger. *Papierwahrung*, Sp. *Papel moneda*, It. *Carta monetata*.)

The paper currency of a country consists of bank notes and similar documents which represent money, but are made a legal tender by some Governments.

PAPER MONEY. (Fr. *Papier-monnaie*, Ger. *Papiergeld*, Sp. *Papel moneda*, It. *Carta monetata*.)

This includes all engagements to pay, issued by banks or Government departments, etc., and circulated in place of coin, such as bank notes, promissory notes, bills of exchange, and money orders.

PAR. (Fr. *Pair*, Ger. *Pari*, Sp. *Par*, It. *Pari, alla pari*.)

Par means the nominal value of stocks or shares. Thus, a £5 share, fully paid up, is at par when it will realise £5 in the open market.

PAR OF EXCHANGE. (Fr. *Pair*, Ger. *Parikurs*, Sp. *Par de cambio*, It. *Pari di cambio*.)

The par of exchange between any two countries means that certain amount of currency of the one which is equal to a certain amount in the currency of the other, supposing the currencies of both to be of the precise weight and purity fixed by their respective mints.

Thus, according to the mint regulations of Great Britain and France, £1 sterling is equal to 25·22 francs, which is said to be the par between London and Paris. The par of exchange between Great Britain and the United States is 4·86, that is, £1 sterling is worth 4 dollars 86 cents; but it is taken at 4 dollars 84 cents according to tariff, a minute deduction being made for mint remedies, and for a moderate amount of wear and tear.

Canada has no gold coinage, but the United States eagle of 10 dollars, and the English sovereign are both legal tender to any amount. The English sovereign exchanges at 4·87 dollars. Silver coins are dollars and cents. The former are legal tender up to 10 dollars, and the latter up to 25 cents.

In Newfoundland the unit of value is the dollar, which is equal to 1·014 of the United States dollar. The actual gold coins in use are 2-dollar pieces. The English sovereign and the United States dollar are full legal tender for 4·8 and ·985 dollars respectively. The silver coins are legal tender up to 10 dollars.

In India the unit is the silver rupee, which is equal to 16 annas. The English sovereign passes current at 15 silver rupees. The coins in use are the rupee, the half rupee, the quarter rupee, and the eighth rupee—all of silver. 100,000 rupees is called a lac of rupees.

The rate of exchange between England and France is said to be at par when a bill drawn for £100 in London is worth 2,522 francs in Paris, and conversely when £1 in London will buy more than 25·22 francs, exchange is said to be in favour of London.

The Latin Monetary Union consists of the following countries in which the standard coin, under different names, is equal in value to the French franc—

(1) *Belgium*; (2) *France*; (3) *Greece*; (4) *Italy*; and (5) *Switzerland*.

The countries which have adopted the Latin Monetary System without joining the Union are—

(1) *Finland*; (2) *Roumania*; (3) *Serbia*; (4) *Spain*.

The countries which have assimilated their coinage to that of the Latin Union are—

(1) *Chili*; (2) *Colombia*; (3) *Ecuador*;

(4) *Guatemala*; (5) *Peru*; (6) *Uruguay*; and (7) *Venezuela*.

The Scandinavian Monetary Union includes the Norse countries, *Denmark*, *Norway*, and *Sweden*.

"In Belgium, Bulgaria, Greece, Italy, Roumania, Serbia, Spain, and Switzerland, the money of account is identical with that of France—the franc—the names alone differing.

"Nearly all the South American States issue standard coins corresponding to the peso of Chili, which is identical with the 5-franc piece of France.

"The principal circulating medium of Austria-Hungary, Russia, Argentine Republic, and Brazil, is paper, but, in the first-named country, the paper is in process of being withdrawn and the currency placed on a gold basis, with the crown as a new unit of account.

"In Russia the gold imperial is now rated at fifteen instead of ten roubles, and the paper currency is being replaced by silver and bronze.

"The currency of Japan is now on a gold basis, silver bearing a ratio to that metal of 1 to 32·348.

"In British Honduras the money of account is now the United States gold dollar of 100 cents, subsidiary coins being specially struck for the colony.

"Ceylon and Mauritius also possess special subsidiary currencies on the basis of the rupee.

"By an order in Council, passed in 1894, a British dollar was authorised to be issued for circulation in the East. It is identical in weight and fineness with the Japanese yen, and has been made legal tender in Hong Kong, the Straits Settlements, and Labuan."

The values given on the next page are those existing in normal times.

PARCEL. (Fr. *Partie, envoi*, Ger. *Partie, collo*, Sp. *Partida, fardo*, It. *Pacco, collo, partita, invio.*)

This is the term applied for each separate shipment of goods.

PARCEL POST. (See *Mail.*)

PARI PASSU. (Fr. *Au pur et à mesure, proportionnellement*, Ger. *verhaltnissrüssig*, Sp. *En proporcion*, It. *Proporzionatamente, a proporzione.*)

This is a Latin phrase which signifies in equal proportion.

PARQUET. (Fr. *Parquet*, Ger. *Parkett*, Sp. *Parquete*, It. *Parquet, recinto.*)

The parquet is composed of the sixty official brokers or Agents de Change on the Paris Bourse. In the centre of the Bourse there is a small enclosure called the "parquet," reserved for the official brokers to carry on their business.

PARTIAL LOSS. (Fr. *Perte partielle*, Ger. *teilweiser Verlust*, Sp. *Pérdida parcial*, It. *Perdita parziale.*)

In marine insurance this signifies a loss other than total.

PARTICULAR AVERAGE. (See *Average, Particular.*)

PARTNERS. (Fr. *Associés*, Ger. *Teilhaber*, Sp. *Socios, asociados*, It. *Soci.*)

Partners are persons who place money in any private company or business for the purpose of carrying on jointly any trade or business.

Partners are active, sleeping, or nominal. The first take a personal part in the business, the second supply funds but take no personal part, and the third are those who lend their names to the business without having any real interest in it. The liability to third parties is the same in the case of each.

Nominal partners are sometimes known as partners by estoppel. If they have acted so as to lead other people to believe that they have a substantial connection with a business firm, they will not be heard to the contrary in any proceedings taken against them to recover contributions, etc.

By the Limited Partnerships Act, 1907, there is a further division into "general" and "limited" partners. The former correspond to the "active" partners, and the latter to the "sleeping" or "nominal" partners. The advantages of limited liability may be obtained by certain steps being taken which are laid down in the Act. (See *Partnership.*)

PARTNERSHIP. (Fr. *Association*, Ger. *Handelsgesellschaft*, Sp. *Sociedad, asociación*, It. *Società, associazione.*)

The combination of two or more persons for purposes of trade with a view to profit is called a partnership. A company is also a combination of persons; but there is a great difference between a partnership and a limited liability company. In the former, the individuality of each member is not entirely lost, and a partner cannot, in many cases, escape personal liability for what is done in the name of himself and his co-partners. But in a limited liability company the individuality is lost in the entity established by law.

The combination of persons acting in partnership is generally known as the "firm," and the name under which trading takes place is called the "firm-name." As a man is entitled to trade in his own name, so a combination can

PRINCIPAL MONETARY UNITS OF FOREIGN COUNTRIES, WITH THEIR APPROXIMATE VALUES IN ENGLISH MONEY AND THE NUMBER OF COINS RECEIVABLE FOR £1 STERLING AT PAR.

Country.	*Money of Account.*	*Approximate value in English money.* s.	d.	*No. of coins receivable for £1 at par.*
Argentine Republic	Peso of 100 centavos	1	9	11·4
Austria-Hungary	Krone (new unit) of 100 heller	0	10	24
Belgium	Franc of 100 centimes	0	9½	25·22
Bolivia	Boliviano of 100 centavos	2	0	10
Brazil	Milreis (paper)	1	4½	14·5
Bulgaria	Leva of 100 stotinki	0	9½	25·22
Chili	Peso of 100 centavos	0	10	24·
China	Yuan of 100 cents	2	0	10
Colombia	Peso of 100 centavos	4	11½	4
Costa Rica	Colon	1	11	10·43
Ecuador	Sucré of 100 centavos	2	0	10
Egypt	Pound Egyptian of 100 piastres	20¾	3	0·98
Finland	Markka of 100 penni	0	9½	25·22
France	Franc of 100 centimes	0	9½	25·22
German Empire	Reichsmark or mark of 100 pfennige	0	11¾	20·43
Greece	Drachma of 100 leptá	0	9½	25·22
Holland and Java	Florin or guilder of 100 cents	1	8	12·
India	Rupee of 16 annas	1	4	15·
Italy	Lira of 100 centesimi	0	9½	25·22
Japan	Yen of 100 sen	2	0½	9·76
Liberia	Dollar of U.S.A. is current	4	1¼	4·87
Mexico	Dollar or Peso	2	0	10
Persia	Khran of 20 shahis	0	4⅘	50
Peru	Sol	2	1	9·7
Porto Rico	Dollar	4	1¼	4·87
Portugal	Escudo	3	4	6
Roumania	Ley of 100 banis	0	9½	25·22
Russia	Rouble of 100 kopecks	2	1½	9·46
Serbia	Dinar of 100 paras	0	9½	25·22
Spain	Peseta of 100 centimos	0	9½	25·22
Scandinavia (Denmark, Norway, and Sweden	Krone of 100 öre	1	1¼	18·2
Switzerland	Franc of 100 centimes	0	9½	25·22
Turkey	Pound of 100 piastres	18	0¼	1·11
United States	Dollar of 100 cents	4	1¼	4·87
Venezuela	Bolivar	0	9½	25·22

trade in the names of all the partners, even though there may be another firm in existence which is known by the same firm-name. The only case in which an injunction can be obtained restraining one firm from using a firm-name which is being used by another firm is where it is clearly shown that a fraud is being perpetrated or is in contemplation. But no two companies bearing the same title can be registered, except when one company is being wound up and another is being formed for the purpose of carrying on the business.

In 1916, owing to the existence of a state of war, an Act was passed, called the Registration of Business Names Act, which requires that where a partnership is carried on under a name which does not disclose the full names of each of the partners, the partnership name must be registered, and the names of all the partners exhibited on every trade catalogue, circular, business letter, invoice, etc., issued. Also, if any partner is not a natural-born British subject, his nationality must be stated; and if he has been naturalised, there must be added a statement of his nationality of origin.

Since the Companies Act of 1862, no partnership with the object of carrying on business for gain can be established if it consists of more than twenty persons, and in banking businesses the number of partners must not exceed ten. A combination consisting of more than these numbers is illegal, and the contract of partnership is void, unless

there has been a registration under the Act, or unless the partnership is incorporated.

By the Partnership Act of 1890 the substantive law upon the subject has been codified. But the whole law is not to be found within the Act itself, since it is specially provided by the Act that "the rules of equity and common law applicable to partnership shall continue in force except so far as they are inconsistent with the express provisions of this Act."

Who are Partners.—At one time it was assumed that if a person could be shown to be a sharer in the profits of a business, that was enough to constitute him a partner, and to render him liable upon partnership contracts. That doctrine is now destroyed, and the true view is that, although the sharing of profits is strong evidence of the existence of a partnership, it is not conclusive. In particular, the following facts alone do not constitute a beneficiary a partner :—

(*a*) The receipt by a person of a debt or other liquidated amount by instalments or otherwise out of the accruing profits of a business.

(*b*) A contract for the remuneration of a servant or agent of a person engaged in a business by a share of the profits of the business.

(*c*) The receipt by the widow or child of a deceased partner of a portion of the profits made in the business in which the deceased was a partner, by way of annuity.

(*d*) The receipt of interest varying with the profits, or of a share of the profits of a business by a person who has advanced money by way of loan to a person engaged or about to engage in any business, provided the contract is in writing and signed by, or on behalf of, all the parties thereto.

(*e*) The receipt of a portion of the profits of a business by way of annuity or otherwise by a person in consideration of the sale of the goodwill of the business.

These exceptions are set out in the Act of 1890 ; but with respect to (*d*) and (*e*), if the borrower in the former case, or the purchaser of the goodwill in the latter, becomes insolvent or compounds with his creditors, the lender or seller is postponed as to his rights until the other creditors have received twenty shillings in the £. If, however, a creditor is secured in any way by a charge or a mortgage, his rights under such charge or mortgage will not be affected.

It is clear, therefore, that participation in the profits of a business is not the real test of partnership liability. It is certainly strong evidence of the existence of a partnership, but something more must be shown. The best proof of its existence is probably obtained by showing that the trade is carried on by persons acting as the agents of the persons whom it is sought to make liable.

As persons who share in the profits of a business may not be partners, as far as liability to the world at large is concerned, so persons who do not share in the profits may be held to be partners. For instance, a man may act in such a manner that it would be generally supposed that he was connected with the business. This is what is called "holding-out," and by the Act of 1890 it is provided that "Every one who by words spoken or written or by conduct represents himself, or who knowingly suffers himself to be represented, as a partner in a particular firm, is liable as a partner to any one who has on the faith of any such representation given credit to the firm, whether the representation has or has not been made or communicated to the person so giving credit by or with the knowledge of the apparent partner making the representation or suffering it to be made." The law has not prescribed any particular form of "holding-out," and therefore each case must depend upon its own facts. A person so lending his name to a business, without having any real interest in it, is called a "nominal" partner. He is to be distinguished from a "dormant" partner, whose name does not appear to the world, but who shares in the profits.

Formation of Partnership.—Subject to what has already been said, any number of persons may combine to form a partnership. They must have capacity to contract according to the general rules applicable to all contracts. If an infant is a partner, the members of the firm who are not infants are alone liable upon any partnership contract. If one or more of the partners is an alien, the partnership is dissolved as soon as war breaks out between this country and the country to which the alien belongs.

The contract is one of a consensual nature, that is, it is formed by consent alone. No particular formality is required. It may be created orally, or it may be inferred from the conduct of the parties. Such a thing, however, is extremely rare. The general practice

is to have a written agreement or a deed drawn up, which contains all the provisions of the partnership contract. The document is styled the "Articles of Partnership." What it should contain must be decided by the parties themselves. So much must depend upon the amount of capital each party puts into the business, and upon the business capabilities of each of the partners, that no rules can be laid down which will meet every case. Plenty of precedents are to be found in books on practice, and these can be varied according to the wishes of the persons interested. The Articles of Partnership may be varied at any time with the consent of all the parties to them.

When a partnership has been constituted, no new partner can be admitted except with the consent of all the old ones, since a contract cannot be altered against the wishes of any of the original parties to it. In many cases, when a new partner is introduced into the old firm, if the business is a good one and well established, a sum of money is demanded as a price for the introduction. This is called a "premium." It is generally provided that if the partnership comes to an end before the time fixed for its determination, a proportionate part of the premium shall be repaid to the person who has provided it.

It is almost invariably set out in the Articles of Partnership for what period the partnership is to last. Should this period be exceeded, the partnership is called a "partnership at will," and may be terminated at any time. But as long as it lasts the terms of the original partnership agreement are applicable to a partnership at will.

Just as no new partner can be introduced into a firm without the consent of all the existing partners, so no member can be expelled, unless there is an express power of expulsion conferred by the partnership agreement.

Relationship of Partners to one another.—This is generally and very properly provided for by the Articles of Partnership. In its absence the following are the general rules laid down in the Act of 1890:—

(1) All the partners are entitled to share equally in the capital and profits of the business, and must contribute equally towards the losses, whether of capital or otherwise, sustained by the firm.

(2) The firm must indemnify every partner in respect of payments made and personal liabilities incurred by him,

(*a*) In the ordinary and proper conduct of the business of the firm; or

(*b*) In or about anything necessarily done for the preservation of the business or property of the firm.

(3) A partner making, for the purpose of the partnership, any actual payment or advance beyond the amount of capital which he has agreed to subscribe, is entitled to interest at the rate of five per cent. per annum from the date of the payment or advance.

(4) A partner is not entitled, before the profits have been ascertained, to any interest on the capital subscribed by him.

(5) Every partner may take part in the management of the partnership business.

(6) No partner shall be entitled to remuneration for acting in the partnership business.

(7) Any differences arising as to ordinary matters connected with the partnership business may be decided by a majority of the partners, but no change may be made in the nature of the business without the consent of all existing parties.

(8) The partnership books are to be kept at the place of business of the partnership (or at the principal place, if there is more than one), and every partner may, when he thinks fit, have access to and inspect and copy any of them.

(9) Each partner is bound to render true accounts and full information of all things affecting the partnership to any other partner or to his legal representative.

(10) Every partner must account to the firm for any benefit derived by him without the consent of the other parties from any transaction concerning the partnership, and from any use by him of the partnership property, name, or business connection.

(11) If a partner, without the consent of the other partners, carries on any business of the same nature as, and competing with that of, the firm, he must account for and pay over to the firm all profits made by him in that business.

All the property originally brought into the business or subsequently acquired by the firm is partnership property, and must be held and applied for the purposes of the partnership alone. If it consists of land, as between the partners themselves, it is regarded as movable or personal property, and

devolves as personalty on the death of a partner, as far as his share is concerned, to the legal representative, the executor or administrator, of the deceased.

Relationship of Partners to Third Parties.—The Articles of Partnership only regulate the duties of partners as far as they themselves are concerned. Third parties have no right to inspect these articles, as they can and must, at their peril, examine the Articles of Association of a limited liability company. As a result, any act of a partner, which is within the scope of the partnership business, and done in the ordinary course of that business, is binding upon all the other partners, unless the person with whom the partner deals actually knows that the particular act is forbidden. In fact, every partner is an agent for the firm and his other partners for the purposes of the partnership, and all the ordinary rules of agency apply to his acts. His position is that of a general agent.

But for those acts which are outside the scope of the partnership business, the other members of the firm are not liable, unless there is a subsequent ratification. A partner cannot bind his firm by deed unless he is empowered to do so by a power of attorney. He is also unable to bind his firm by a guarantee, or by a submission to arbitration.

If he exceeds his authority and does an act outside the scope of the ordinary partnership business, a partner renders himself personally liable in the same manner as an agent acting in excess of his authority. An example of such an excess of authority would be the acceptance of a bill of exchange by a member of a firm of solicitors, since a transaction of this kind is not within the ordinary scope of the business of a solicitor. In the case of a mercantile firm, a partner has naturally full authority to do such an act.

The agency of a partner may continue, even after a dissolution of the partnership, so far as is necessary to wind up the affairs of the firm.

Liability of Partners.—The liability of a partner for the debts and obligations of the partnership commences at the moment he becomes a member of the firm, but he is in no way liable for debts previously contracted. So long as he remains a member of the firm he is jointly liable with his co-partners for all debts contracted while he is a member of it. His liability ceases, as to all subsequent debts, when he retires. But this release is subject to the qualification that notice of retirement must be given when the business of the firm is continued. An advertisement in the *Gazette* is a sufficient notice to all those persons who have had no previous dealings with the firm ; but to all those who have had dealings express notice, by circular or otherwise, must be given. Since a dormant partner does not appear to the world as a partner, no notice of his retirement is necessary, except to those persons who know that he was a partner.

An express agreement made between a creditor, the retiring partner and the other members of the firm may discharge the liability of the retiring partner for debts due to that creditor incurred during the partnership, and in certain cases, without any express agreement, but from the conduct of a creditor and the remaining partners, such a discharge will be implied.

When one of the partners dies, and the partnership is thereby dissolved, his private property is liable for the payment of the partnership debts, so far as they are unpaid, subject to the prior payment of his private debts. But the private creditors of the deceased partner must first be paid in full before any claim can be made by the creditors of the firm.

The liability of partners may be considerably altered through the Limited Partnerships Act, 1907. A limited partnership must not consist, in the case of a partnership carrying on the business of banking, of more than ten persons, or, in the case of any other partnership, of more than twenty persons, and must have one or more persons called general partners, who shall be liable for all the debts and obligations of the firm, and one or more persons to be called limited partners, who shall at the time of entering into such partnership contribute thereto a sum or sums as capital or property valued at a stated amount, and who shall not be liable for the debts or obligations of the firm beyond the amount so contributed. A limited partner cannot, during the existence of the partnership, draw out or receive back any part of his contribution, and he must not in any way interfere with the working of the business. The limited partnership must be registered, and the register must be regularly kept up to date, so that the public may be as fully acquainted with the facts concerning a limited partnership as with a joint-stock company. For full particulars

the Act must be consulted, and it can be purchased at an extremely small cost.

Owing to the new statutory regulations as to "private" companies, it is doubtful whether limited partnerships will become common.

Dissolution.—If there are Articles of Partnership, some clause or clauses in them will have reference to the termination of the partnership. Subject to any such terms, however, a partnership is dissolved,

(1) If entered into for a fixed time, by the expiration of that term.

(2) If entered into for a single adventure or undertaking, by the termination of that adventure or undertaking.

(3) If entered into for an undefined time, by any partner giving notice to the other or others of his intention to dissolve the partnership, or by the mutual consent of all the partners.

(4) By the death or bankruptcy of any partner.

(5) By a partner suffering his share of the partnership property to be charged under the Partnership Act for his separate debt. This is only a cause for dissolution at the option of the other partners.

Irrespective of the terms of any agreement, a partnership will be dissolved upon the happening of any event which makes it unlawful for the business of the firm to be carried on, or for the members of the firm to carry it on in partnership.

Sometimes the court will decree a dissolution of the partnership. The power is entirely discretionary, but, as a rule, a dissolution will be decreed,

(*a*) When a partner becomes a lunatic, or incapable of performing his part of the partnership contract.

(*b*) When a partner has been guilty of conduct prejudicially affecting the carrying on of the business of the firm.

(*c*) When a partner is guilty of wilful misconduct.

(*d*) When the business can only be carried on at a loss.

(*e*) When circumstances have arisen which render it just and equitable that there should be a dissolution.

After Dissolution.—In the absence of any special arrangements, on the dissolution of a partnership the whole of the partnership property is converted into money, and the money is disposed of as follows :—

(1) The debts and liabilities of the firm must be paid.

(2) If money has been advanced by any of the partners, beyond the amount of his share of the capital, the advances must be repaid.

(3) After the above claims have been satisfied, each partner is entitled to receive the share of his capital which is due to him.

(4) Any residue is divided among the partners according as they are entitled to share in the profits of the business. (See *Goodwill.*)

PART OWNERS. (Fr. *Propriétaires partiels*, Ger. *teilweise Eigner*, Sp. *Propietarios parciales*, It. *Proprietari parziali.*)

The several shareholders in a ship are generally known by this name.

PAR VALUE. (Fr. *Pair*, Ger. *Nennwert*, Sp. *Par*, It. *Pari.*)

This means the face value of securities.

PASS-BOOKS. (Fr. *Carnets de banque*, Ger. *Kontobuch*, Sp. *Libros bancarios*, It. *Libretti di conto corrente.*)

These are books which pass between a trader and his customers, in which credit purchases or deposits are entered. They are also given by bankers to their customers. They show the amounts paid in by the customer, and the amounts paid out by the bank on his behalf on the cheques he has drawn. It is usual for the pass-book to be made up monthly, when the paid and cancelled cheques are returned with the book to the customer.

In an old case it was necessary for a report to be made to the court as to the nature of the pass-book, and the custom of bankers concerning it. As the existing law is concisely stated in that case, it is reproduced here:—

"A book called a passage-book is opened by the bankers, and delivered by them to the customer, in which at the head of the first folio, and there only, the bankers, by the name of their firm, are described as the debtors, and the customer as the creditor in the account, and on the debtor side are entered all sums paid to or received by the bankers on account of the customer, and on the creditor side all sums paid by them to him or on his account. And the entries being summed up at the bottom of each page, the amount of each, or the balance between them, is carried over to the next folio, without further mention of the names of the parties until, from the passage-book being full, it becomes necessary to open and deliver out to the customer a new book of the same kind. For the purpose of having the passage-book made up by the bankers from their own books of account, the customer

returns it to them from time to time as he thinks fit, and the proper entries being made by them up to the day in which it is left for that purpose, they deliver it again to the customer, who thereupon examines it; and if there appears any error or omission, brings or sends it back to be rectified; or, if not, his silence is regarded as an admission that the entries contained in it are correct; but no other settlement, statement, or delivery of accounts, or any other transaction which can be regarded as the closing of an old or opening of a new account, or as varying, renewing, or confirming (in respect of the persons of the parties mutually dealing) the credit given on either side, takes place in the ordinary course of business, unless when the name or firm of one of the parties is altered, and a new account thereupon opened in the new name or firm.

"The course of business is the same between such bankers and their customers resident at a distance from the metropolis, except that, to avoid the inconvenience of sending in and returning the passage-book, accounts are from time to time made out by the bankers, and transmitted to the customer in the country when required by him, containing the same entries as are made in the passage-book, but with the names of the parties, debtor and creditor, at the head, and with the balance struck at the foot of each account; on receipt of which accounts the customer, if there appears to be any error or omission, points out the same, by letter, to the bankers; but if not, his silence, after the receipt of the account, is in like manner regarded as an admission of the truth of the account, and no other adjustment, statement or allowance thereof usually takes place."

The entries in a pass-book are *primâ facie* binding on the banker, but he is not precluded from showing that such entries were made by mistake, unless a customer has acted on the faith of such entry.

It may happen that circumstances will arise in which the pass-book would not of itself be sufficient to satisfy a court of law as to certain transactions between a banker and his customer. To prevent the inconvenience of producing the books of a bank in court, an Act was passed in 1879, called the Bankers' Books Evidence Act, by which a copy of any entry made in the books will be received as *primâ facie* evidence of such an entry. The copy must be duly sworn. But although admissible as evidence of an entry, neither the copy nor the book itself is conclusive proof of the correctness of the entry. Any party to an action may obtain an inspection of a banker's books by an order of the court, if it is clear that such inspection is necessary for the purpose of the action. It is usual to serve the notice of the order upon the banker three clear days before the inspection is to be made. If the banker fails to comply with the order he will be liable for costs and expenses incurred through his default or delay.

PASSING A NAME. (Fr. *Faire l'appel des noms des acheteurs*, Ger. *Angabe des Namens*, Sp. *Mencionar los nombres*, It. *Far l'appello dei compratori.*)

On the Stock Exchange this signifies giving the name of the actual purchaser at the settlement.

PASSIVE BONDS. (Fr. *Bons de la dette passive*, Ger. *Passivobligationen*, Sp. *Bonos de la deuda pasiva*, It. *Obbligazioni passive.*)

These are bonds which do not bear any interest, but which entitle the holder to some future benefit or claim upon them.

PASSPORT. (Fr. *Passe-port*, Ger. *Pass*, Sp. *Pasaporte*, It. *Passaporto.*)

A passport is an official document which gives to a person the right to enter or to leave a country.

Passports are granted by the Foreign Office only to natural born British subjects, or to persons naturalised either in the United Kingdom or in the British dominions. By a recent order no passport is available beyond five years from the date of issue. A fresh passport must then be obtained.

Applications for passports must be made in writing and addressed to the Passport Department, Foreign Office, London. The charge is 2*s*., whatever number of people may be named in it. If the applicant resides in the provinces, and if it is desired that the passport be sent by post, a postal order for 2*s*. must accompany the application.

Passports are granted to all persons, either known to the Secretary of State, or recommended to him by some person who is known to him, or upon the application of any banking firm established in London or in any part of the United Kingdom, or upon the production of a certificate of identity signed by any mayor, magistrate, minister of religion, justice of the peace, physician, surgeon, solicitor, or notary public residing in the United Kingdom.

The bearer of a passport granted by the Foreign Office should sign his passport as soon as he receives it. Without such signature the validity of the passport may be questioned abroad. Travellers who may have an intention of visiting the Russian Empire, the Turkish Dominions or the Kingdom of Roumania at any time in the course of their travels, must not quit England without having their passports indorsed at the Russian Consulate in London, 17, Great Winchester Street, E.C.; at the Consulate-General of the Sublime Porte, 7, Union Court, Old Broad Street, E.C., and at the Roumanian Consulate-General, 37, Old Jewry, E.C., respectively. Travellers about to proceed to any other country need not obtain the indorsement of the diplomatic or consular agents of such country resident in the United Kingdom, except as an additional precaution, which is recommended in the case of passports of old date. A passport must bear a stamp of the value of sixpence.

Although British subjects are now free to enter Belgium, France, Holland, Italy, Denmark, Sweden, and Norway without passports, and the rules about passports have been virtually relaxed in other countries, nevertheless, British subjects about to visit the Continent are recommended not to omit to provide themselves with passports, for even in those countries where they are no longer obligatory, they are found to be convenient, as offering a ready means of identification, and more particularly when letters have to be claimed at a *poste restante*.

Diplomatic and consular officers issue passports to British subjects abroad. The passport stamp duty is 6*d*.

It is almost superfluous to mention that there have been and still are many difficulties connected with the granting of passports owing to the Great War of 1914. The statement in the text, therefore, has reference to normal times and not to a period of war.

PATENT. (Fr. *Brevet*, Ger. *Patent*, Sp. *Patente*, It. *Patente*.)

A patent is a species of incorporeal property granted by the Crown to the author or authors of a new invention, by which the profits of the same are secured for a limited period. It is so called because the grant is contained in a charter, or "letters patent," that is, open letters (*literae patentes*), of which Blackstone says: "They are not sealed up, but exposed to open view, with the great seal pendent at the bottom, and are usually directed or addressed by the King to all his subjects at large."

The law as to patents was contained in a number of statutes beginning with that of 1883. These have been repealed, and the whole of the law is contained in the Patent Act of 1907. The changes made, however, are not great, except in so far as practice is concerned, and also as restricting foreigners claiming patents in Great Britain without working them in this country.

The effect of the grant is confined to the United Kingdom and the Isle of Man.

Patents are survivals of the ancient monopolies. After the Statute of Monopolies, 1623, the Crown could not grant any trading monopoly, but an exception was made in favour of grants of privilege, for a certain number of years, "of the sole working or making of any manner of new manufactures within this realm, to the true and first inventor or inventors of such manufactures, which others, at the time of making of such letters patent and grants, shall not use; so as also they be not contrary to the law, nor mischievous to the State by raising prices of commodities at home, or hurt of trade or generally inconvenient."

The invention or discovery, in order that it may be the subject matter of a valid patent, must be a manufacture, and of some utility. There can be no patent in a mere principle or idea. Moreover, it must be a new invention within the realm.

It must be borne in mind that an invention is different from a discovery. A discovery is not subject matter for a patent unless it is an addition not only to knowledge, but to known inventions, and produces either a new and useful thing or result, or a new and useful mode of producing an old thing or result.

As to utility, the headnote to a case decided a few years ago shortly states the law upon the subject: "A very small amount of utility is sufficient to support a patent. Utility, in patent law, does not mean abstract, or comparative, or competitive, or commercial utility; but as applied to an invention, it means that the invention is better than the preceding knowledge of the trade as to a particular fabric, better, that is, in some respects, though not necessarily in every respect. For instance, an invention is useful by which an article good, though not so good as one previously known, can be produced

more cheaply by a different process. And an invention is useful when the public are thereby enabled to do something which they could not do before, or to do in a more advantageous manner something which they could do before--or, in other words, an invention is patentable which offers the public a useful choice."

An application for a patent may be made by any person who claims to be the true and first inventor of an invention, whether he is a British subject or not, and whether alone or jointly with any other person. The application must be made in the prescribed form, and must be left at, or sent by post to, the patent office in the prescribed manner. The application must contain a declaration to the effect that the applicant is in possession of an invention whereof he, or, in the case of a joint application, one at least of the applicants claims to be the true and first inventor, and for which he desires to obtain a patent, and must be accompanied by either a provisional or complete specification.

The provisional specification must describe the nature of the invention, and the complete specification must describe and ascertain the nature of the invention and the manner in which the same is to be performed. The comptroller may require drawings, samples, specimens, etc., to be deposited with the complete specification, so that a thorough investigation may be made. The comptroller refers the application to an examiner, who reports upon the whole matter. The comptroller then may accept or refuse the application, or may require the applicant to produce further particulars. There is a right of appeal to the law officer against the decision of the comptroller.

Where an application for a patent in respect of an invention has been accepted, the invention may, during the period between the date of the application and the date of sealing such patent, be used and published without prejudice to the patent to be granted for the invention; and such protection from the consequences of use and publication is called provisional protection. Also the rights of an inventor are not affected by the exhibition of his invention at an industrial or international exhibition prior to his application for a patent, upon his giving notice to the comptroller of his intention to do so, provided that the application itself is not delayed beyond six months from the date of the opening of the exhibition.

When a provisional specification only is lodged at the time of applying for a patent, the complete specification must follow within six months. This period may be extended to seven months upon payment of a prescribed fee, but not longer.

The lodgment of a provisional specification is a great boon to the intending patentee. Within the period of six months—or seven months as stated above—allowed for further consideration, he may discover that his supposed invention is not new, or that it is capable of further improvement, and in any case he will save himself from any expense, beyond the sum of £1, which must be paid when the application and provisional specification are left with the comptroller. An additional sum of £3 must be paid when the complete signification is lodged, and these are the total fees payable up to the end of the fourth year from the date of application, except the sum of £1 which is now to be paid on sealing the patent.

In addition to the examination made by the examiner, every facility must be given to the public generally to see whether the alleged invention is an infringement of any patent previously granted, or whether it is in any way an interference with the vested rights of any person claiming to have anticipated the invention for which a patent is demanded. For this purpose the application is advertised, and any person aggrieved may give notice of opposition to the grant. The objection must be taken within two months from the date of the advertisement of the acceptance of a complete specification. The grounds of objection are: (*a*) That the applicant obtained the invention from him, or from a person of whom he is the legal representative; (*b*) that the invention has been claimed in any complete specification for a British patent which is or will be of prior date to the patent the grant of which is opposed, other than a specification deposited pursuant to an application made more than fifty years before the date of the application for such last-mentioned patent; (*c*) that the nature of the invention or the manner in which it is to be performed is not sufficiently or fairly described and ascertained in the complete specification; (*d*) that the complete specification describes or claims an invention other than that described in the provisional specification, and that such other invention forms the subject of an application

made by the opponent in the interval between the leaving of the provisional specification and the leaving of the complete specification. The comptroller deals with the objection in the first case, but his decision is subject to appeal to the law officer. On certain grounds, mainly those of fraud, a duly granted patent may be revoked.

The patent is dated with the date of the application and lasts for fourteen years. But the extension beyond four years is dependent upon the payment of certain fees. By the Act of 1907 a scale of fees was prescribed, in addition to the £4 mentioned above. This scale has been altered, and is now as follows:—

	£	s.	d.
On notice of desire to have the patent sealed . .	1	0	0
And for renewal beyond four years, in respect of each succeeding year and before the commencement of the year—			
For the 5th year	5	0	0
" 6th	6	0	0
" 7th	7	0	0
" 8th	8	0	0
" 9th	9	0	0
" 10th	10	0	0
" 11th	11	0	0
" 12th	12	0	0
" 13th	13	0	0
" 14th	14	0	0

An inventor may sometimes obtain an extension of time, up to an additional fourteen years. For this purpose a petition to the High Court of Justice, in accordance with prescribed rules, is necessary. The principal grounds upon which prolongation is recommended are the merit of the invention and the inadequate remuneration of the inventor. Each case will depend upon its own peculiar merits. In a certain case where it appeared that the invention was of considerable merit, that there had been great difficulties in introducing it, and that the petitioner had incurred losses in his efforts to do so, an extension of ten years was recommended. Similarly, on good cause shown, a lapsed patent may be revived.

A patentee has a right of action against any person who infringes his patent. He may claim either an injunction or damages, or both. But he cannot obtain damages against any person who is an infringer if the court is satisfied that the infringement was innocent.

Patents are generally taken out through a patent agent, and this is the best plan for an inventor to adopt. A patent agent must be a person registered under the Act of 1907. Any person who advertises himself as a patent agent, without being duly registered under the Act, is liable to a fine of £20. As the law on the subject of patents is extremely intricate and technical, it is almost impossible to dispense with the services of a patent agent, who will undoubtedly save the inventor much trouble and worry.

A register is kept at the Patent Office, and in it are entered all particulars as to patents, the names and addresses of the grantees, notifications of assignments and transmissions, of licences, of amendments, of extensions and revocations, and of such other matters as affect their validity and ownership. The register is open to public inspection, and certified copies of any entries can be obtained. Any person aggrieved by an entry in the register may apply to the court for its rectification.

A patentee may assign his patent absolutely, or limit the same to any part of the United Kingdom or the Isle of Man. Although it does not appear to be necessary that the assignment should be made by deed, it is the common practice to use a deed not only for an assignment, but also for a licence.

Any person who is interested in the working of a patent may present a petition to the Board of Trade, if it is alleged that the reasonable requirements of the public with respect to the patent are not being satisfied, praying for a grant of a compulsory licence, or, in the alternative, for a revocation of the patent. If the Board of Trade is satisfied that a *primâ facie* case is made out, the petition is referred to the High Court, when such order is made on the petition as is thought fit.

It has been held that the right of making and using a patented chattel, and the licensing others to use it, is an incorporeal right distinct from the right of property in the chattel itself. Therefore, although a landlord, under a distress for rent, may seize and sell the chattel if it happens to be on the demised premises, the person purchasing it can be restrained from using the chattel.

The Crown may make any arrangement with a foreign state for mutual protection of inventions, designs, or trade-marks, and if an order in council to such effect is in force, any person who has applied for protection for any invention, design, or trade-mark in any

such state is entitled to protection in this country, and the patent, or the registration of the trade-mark, is to have the same date as the date of application in such foreign state. The application must be made, in the case of a patent, within twelve months, and in the case of a trade-mark within four months, from the application for protection in the foreign state.

It is claimed that the greatest benefit bestowed by the Act of 1907 is the provision which compels the working of British patents within the United Kingdom. As this matter is considered to be of such importance, the whole of sect. 27 is here set out:—

(1) At any time not less than four years after the date of a patent, and not less than one year after the passing of this Act (i.e., January 1, 1908), any person may apply to the comptroller for the revocation of the patent on the ground that the patented article or process is manufactured or carried on exclusively or mainly outside the United Kingdom.

(2) The comptroller shall consider the application, and, if after inquiry he is satisfied that the allegations contained therein are correct, then, subject to the provisions of this section, and unless the patentee proves that the patented article or process is manufactured or carried on to an adequate extent in the United Kingdom, or gives satisfactory reasons why the article or process is not so manufactured or carried on, the comptroller may make an order revoking the patent either—

(*a*) forthwith;

(*b*) after such reasonable interval as may be specified in the order, unless in the meantime it is shown to his satisfaction that the patented article or process is manufactured or carried on within the United Kingdom to an adequate extent:

Provided that no such order shall be made which is at variance with any treaty, convention, arrangement, or engagement with any foreign country or British possession.

(3) If within the time limited in the order the patented article or process is not manufactured or carried on within the United Kingdom to an adequate extent, but the patentee gives satisfactory reasons why it is not so manufactured or carried on, the comptroller may extend the period mentioned in the previous order for such period not exceeding twelve months as may be specified in the subsequent order.

(4) Any decision of the comptroller under this section shall be subject to appeal to the court, and on any such appeal the law officer or such other counsel as he may appoint shall be entitled to appear and be heard.

The effect of the section has already been felt, and many foreigners holding British patents have set up factories in the United Kingdom. It is estimated that, at the present time, there are some 70,000 British patents in existence of which three-sevenths are held by foreigners.

Designs.—Under the Act of 1907, which is known as the Patents and Designs Act, designs may be registered and protected in the same manner and subject to many of the same conditions as patents. A design is protected for five years, though this period may be extended for a second five years if satisfactory reasons are produced for its continuance.

PATENTEE. (Fr. *Breveté*, Ger. *Patentinhaber*, Sp. *Poseedor de patente*, It. *Patentato, chi ha ottenuto un brevetto.*)

This is the person to whom a patent is granted.

PATTERNS. (Fr. *Échantillons*, Ger. *Muster, Proben*, Sp. *Muestras*, It. *Mostre, campioni.*)

These are specimens of goods which serve to show the quality or design of the bulk from which the patterns are taken.

PAWN or PLEDGE. (Fr. *Gage*, Ger. *Pfand*, Sp. *Prenda*, It. *Pegno.*)

The delivery of the possession of goods, or of documents of title to goods by one person, called the transferor, pawner, or pledgor, to another, called the transferee, pawnee, or pledgee, as a security for the payment of a debt or the performance of a specified engagement. Its effect is to transfer along with the possession all consequent rights, and therefore the transferee, pawnee, or pledgee can maintain an action for the return of the goods or documents pledged, if they are taken from him, as well as the transferor, pawner, or pledgor.

There is no need of writing or other formality to complete the security created by a pledge. The pledgee has the right to retain possession of the goods until the debt is paid, and if it is not paid on the date fixed, or after reasonable notice requiring payment when no date is fixed, he may sell the goods pledged, deduct the amount of his

debt together with interest and costs, and return any balance to the pledgor. If the sale of the goods does not produce a sum sufficient to satisfy the debt, interest, and expenses, the pledgee has a personal claim against the pledgor for the balance.

Since the property or ownership in the goods does not pass to the pledgee, there is no right of foreclosure such as is incidental to a mortgage. There is an implied undertaking on the part of the pledgee to return the articles pledged when the debt is paid, unless they have been already sold under the abovementioned right of sale.

The pledgee must use ordinary diligence in his care of the pledge: but if it is lost, in spite of such diligence, he incurs no liability. Again, if the pledge is stolen, the pledgee must prove that he was not wanting in the care which an ordinarily prudent man would have shown in doing all he could to insure safety. If it is taken in robbery the pledgee is entirely exonerated. He must not use the pledge, unless it is of such a nature that it will not deteriorate by wear, and if he does so he acts at his peril.

PAWNBROKER. (Fr. *Prêteur sur gages, commissionaire au mont de piété*, Ger. *Pfandleiher*, Sp. *Prestamista*, It. *Prestatore su pegno.*)

A pawnbroker is a person who lends money on pawns or pledges, being duly licensed to do so.

The business of a pawnbroker is regulated by the Pawnbrokers Act, 1872, of which the principal provisions are:—

(1) The Act does not apply to loans of more than £10.

(2) The pledge must be authenticated by a pawn-ticket.

(3) Every pledge may be redeemed at any time before sale, except that where the amount lent is not more than 10*s*., the pledge becomes the absolute property of the pawnbroker after twelve months and seven days.

(4) If the loan exceeds 10*s*. the pledge must be sold by auction. Any balance, after the expenses of the sale, the loan, and the interest have been paid, belongs to the pledgor, who is, in turn, liable to be sued for any deficiency.

(5) Special contracts may be entered into when the amount of the loan exceeds 40*s*., and must be authenticated by special pawn-tickets signed in duplicate.

The rate of interest which a pawnbroker is entitled to charge is—

(*a*) On pledges for sums not exceeding 10*s*., one halfpenny for every month or part of a month on each 2*s*., and a halfpenny for the ticket.

(*b*) On pledges for sums between 10*s*. and 40*s*., the same rate as before, and one penny for the ticket.

(*c*) On pledges for sums between 40*s*. and £10, one halfpenny for every month or part of a month on each 2*s*. 6*d*., and one penny for the ticket.

As a pawnbroker is liable for loss by fire, it is his duty to protect himself by insurance.

If a pawnbroker takes in pledge stolen goods, or goods which are not the property of the pledgor, he may be compelled to restore the same to the rightful owner, and he is not entitled under ordinary circumstances to any compensation for the loss he sustains. On the sale of a pledge there is no warranty of title on the part of the pawnbroker. The buyer has only the rights in the pledge transferred to him, which the pawnbroker himself had. If, therefore, for example, an article is stolen and pledged with a pawnbroker, and the pawnbroker sells it under his statutory right, the real owner can demand restitution of the article from the buyer, and the buyer has no remedy, in the absence of any express warranty or of fraud, against the pawnbroker.

The holder of the pawn-ticket · presumed to be the owner of the pledge, and is entitled *primâ facie* to demand its production. If the real owner loses the ticket he must apply to a magistrate for relief.

The licence of a pawnbroker, which is only granted on the production of a magistrate's certificate, costs £7 10*s*. per annum for each shop kept by him. An additional duty of £5 15*s*. per annum is charged if the pawnbroker deals in plate, without regard to weight.

PAWNEE, or PLEDGEE. (Fr. *Prêteur sur gage*, Ger. *Pfandbesitzer*, Sp. *Prestamista*, It. *Prestatore.*)

This is the person who takes any article in pawn or pledge, or with whom such article is deposited.

PAWNER, or PLEDGOR. (Fr. *Emprunteur sur gage*, Ger. *Pfandgeber*, Sp. *Depositante*, It. *Pignorante, chi prende a prestito su pegni.*)

This is the person who deposits an article with a pawnee or pledgee by way of security for a debt.

PAY DAY. (Fr. *Jour de paye, jour de paiement*, Ger. *Stichtag, Zahltag*, Sp. *Tercero dia de liquidaciones*, It. *Giorno di pagamento.*)

This is the last day of the settlement on the Stock Exchange, when stocks and shares are taken up and paid for, or the differences paid and received.

PAYEE. (Fr. *Porteur*, Ger. *Inhaber, Remittent*, Sp. *Portador*, It. *Portatore.*)

The payee is the person or the firm to whom a bill of exchange or cheque is made payable.

When a bill is not made payable to bearer, the payee must be named or otherwise indicated with reasonable certainty. By French and German law the payee must be named.

It is now possible, since the Bills of Exchange Act, 1882, to make a bill payable to two or more payees jointly, or in the alternative, and the payee is sufficiently indicated if he is simply described as the holder of an office for the time being, e.g., "the treasurer of the A society."

Where the payee is a fictitious or non-existing person (and this includes a real person who never had or was intended to have any right to the bill), the bill may be treated as one payable to bearer.

If the bill is payable to a person or his order, it must be indorsed by that person before it can be negotiated. (See *Bill of Exchange.*)

As to the meaning of "account of payee," see *Cheque.*

The word "payee" (Fr. *bénéficiaire*, Ger. *Empfanger*, Sp. *Cobrador*, It. *Beneficiario, percipiente*) also signifies any person to whom money is paid.

PAYER. This word is used in two senses:—

1. (Fr. *Payeur*, Ger. *Bezahler*, Sp. *Pagador*, It. *Pagatore.*)

The person who pays money.

2. (Fr. *Payant*, Ger. *Bezogener*, Sp. *Pagador*, It. *Pagante.*)

The person or firm by whom or which a bill of exchange or promissory note is paid.

PAYING IN SLIP or **DEPOSIT SLIP.** (Fr. *Bordereau*, Ger. *Einzahlungszettel*, Sp. *Vale*, It. *Distinta di deposito.*)

This is the document upon which is written the amount of bills, notes, cheques, and money paid into a bank to the credit of the person or firm whose name appears on the slip.

PAYMENT FOR HONOUR SUPRA PROTEST. (Fr. *Paiement par intervention*, Ger. *Ehrenzahlung*, Sp. *Pago por intervención, pago por el honor de firma*, It. *Pagamento per intervento, pagamento per onore di firma.*)

When a bill of exchange has been refused payment and protested, it may be taken up and paid by any person for the honour of any person who is a party to the bill.

PECK. (Fr. *Picotin*, Ger. *ein Viertel Buschel*, Sp. *Cuarta de fanega*, It. *Un quarto di staio.*)

This is a dry measure of two imperial gallons, or 554½ cubic inches; the fourth part of a bushel.

PENALTY CLAUSE. (Fr. *Clause de l'amende*, Ger. *Geldstrafenklausel*, Sp. *Cláusula de la multa, pena pecuniaria*, It. *Clausola della multa, della pena pecuniaria.*)

This is a clause which is often inserted in a contract specifying the sum of money which is to be paid by the party who is to default in case of the non-fulfilment of the terms of the contract.

PENNY. (Fr. *Penny, dix centimes, deux sous*, Ger. *Etwa acht Pfennig, Penny*, Sp. *Penique, diez centimos*, It. *Due soldi o centesimi* 10 *circa.*)

A penny is a bronze coin used in the English currency. The name is extremely ancient. It was a coin introduced by the Saxons, and was the only one current for a long period. At first it was composed of silver, and minted with a cross engraved so deeply as to enable it to be broken into halves and quarters; hence the terms halfpenny and fourthing, or farthing. The letter *d*, which indicates a penny, is the initial letter of the Latin *denarius*, consisting of ten, a Roman coin marked X, and consisting of ten units.

PENNYWEIGHT. (Fr. *Denier de poids*, Ger. *Pfenniggewicht*, Sp. *Peso de* 24 *granos*, It. *Peso di grani* 24 *o grammi* (1·55).

This is a troy weight, consisting of 24 grains, each of which is about equal in weight to a grain of wheat from the middle of a well-dried ear. It derives its name from the old silver penny, the weight of which was the same. Twenty pennyweights are equal to one troy ounce. The word is contracted in writing into dwt.

PER ANNUM. (Fr. *Par an*, Ger. *per annum, jahrlich*, Sp. *Por año, al año*, It. *Per anno, all' anno.*)

This Latin phrase means "by the year."

PER CENTAGE. (Fr. *Pourcentage, percentage*, Ger. *Prozentsatz*, Sp. *Por ciento*, It. *Percentuale.*)

This means the duty, commission, or allowance on a hundred.

PER CONTRA. (Fr. *Par contre*, Ger. *dagegen*, Sp. *Por contra*, It. *Qui contro.*)

This term is used in book-keeping and accounts generally to mean "on the other side."

PER DIEM. (Fr. *Par jour*, Ger. *pro Tag, täglich*, Sp. *Por día*, It. *Per giorno.*)

This Latin phrase means "by the day."

PER MILLE. (Fr. *Le mille*, Ger. *pro Mille, vom Tausend*, Sp. *Per milla*, It. *Per mille.*)

This means "by the thousand." It is a charge made by bill-brokers on the issue of foreign drafts, and is abbreviated into °/₀₀, so that 5 per thousand is indicated thus 5 °/₀₀.

PER PROCURATIONEM. (Fr. *Par procuration*, Ger. *per Prokura*, Sp. *Por poder*, It. *Per procura.*)

This is a Latin phrase, and is used to indicate agency. A person who signs "per pro." holds himself out as a limited agent, and it is the duty of any other person who has dealings with him to ascertain the limits of his authority.

PERCH. (Fr. *Perche*, Ger. *Rute* Sp. *Pertica*, It. *Pertica o metri* 5·02.)

In linear measure, this is the length of 5½ yards. In surface measure, it is the square of 5½ yards, or 30¼ square yards.

PERILS OF THE SEA. (Fr. *Dangers maritimes*, Ger. *Seegefahr*, Sp. *Riesgos de mar, Riesgos marítimos*, It. *Pericoli marittimi.*)

This phrase is used in marine insurance policies and in bills of lading, and it has reference to the damage and accidents likely to be incurred by a vessel on a voyage, the risks of which are taken by the underwriters in the policy.

PERISHABLE GOODS. (Fr. *Marchandises périssables*, Ger. *leicht verderbliche Waren*, Sp. *Géneros de fácil avería*, It. *Merci caduche, merci facilmente avariabili.*)

Goods so described are those which are likely to go bad or become useless unless they are delivered quickly, such as fruit, fish, butter, game, poultry, meat, etc.

PERMITS. This word is used with two meanings:—

1. (Fr. *Permis*, Ger. *Zollscheine*, Sp. *Permisos*, It. *Permessi.*)

Permissions from a custom house officer to remove goods upon which duty has been paid.

2. (Fr. *Passe-debout*, Ger. *Zollscheine*, Sp. *Vales*, It. *Permessi.*)

Permissions from the excise to allow goods, subject to inland revenue duty, to be removed from one place to another.

PERQUISITES. (Fr. *Emoluments, revenus casuels*, Ger. *Sporteln*, Sp. *Emolumentos*, It. *Emolumenti, competenze.*)

These are the fees which are legally allowable for some specific service.

PERSONAL ACCOUNTS. (Fr. *Comptes particuliers*, Ger. *Privatkontos*, Sp. *Cuentas personales*, It. *Conti personali o particolari.*)

These are accounts which are made out and show the state of the account between a trader and every person, firm, or company with whom he has had dealings of any nature. They are so called in distinction to nominal and real accounts.

PERSONAL ESTATE. (Fr. *Biens mobiliers*, Ger. *Privatvermögen*, Sp. *Efectos personales, bienes muebles*, It. *Beni mobili, sostanze attive personali.*)

(See *Personalty.*)

PERSONAL SECURITIES. (Fr. *Actions nominatives*, Ger. *Privatobligationen*, Sp. *Seguridades personales*, It. *Garanzie personali.*)

These are securities which give the holder a claim upon a person for money advanced or services rendered, and which are not otherwise provided for.

PERSONALTY or PERSONAL PROPERTY. (Fr. *Meubles, biens mobiliers*, Ger. *persönliches Eigentum*, Sp. *Bienes muebles*, It. *Sostanze o beni mobili.*)

This is the general legal term for movable property, consisting of such things as money, goods, furniture, other chattels, and leases for years, in distinction to real property, consisting of freehold land, houses, etc.

PESETA. (Fr. *Piécette*, Ger. *Peseta*, Sp. *Peseta*, It. *Peseta.*)

This word is the diminutive of peso. It is the unit of value in Spain, and is divided into 100 parts, called centimos. It has a circulating value about equal to that of the French franc, that is, 9½*d.*

PESO. (Fr. *Pièce*, Ger. *Peso*, Sp. *Peso*, It. *Peso.*)

This is the unit of value in most South American States, excepting Brazil. Its circulating value is variable.

PETITE BOURSE. (Fr. *Petite bourse*, Ger. *kleiner Markt*, Sp. *Bolsín*, It. *Borsino.*)

This is the evening market of the Paris Bourse, which consists of the coulissiers alone.

PETITIONING CREDITOR. (Fr. *Créancier pétitionnaire*, Ger. *beantragender Gläubiger*, Sp. *Acreedor peticionario*, It. *Creditore petente.*)

The petitioning creditor is the creditor who has filed a petition in bankruptcy.

requesting the court to make the debtor a bankrupt.

PETTIES. (Fr. *Divers*, Ger. *Diverses*, Sp. *Gastos menudos*, It. *Piccole spese, spese minute.*)

This is a word which is frequently met with in accounts and invoices, and means sundry items of charges and expenses which are too small to be enumerated separately.

PETTY AVERAGE. (Fr. *Petite avarie*, Ger. *kleine Havarie*, Sp. *Avería pequeña*, It. *Piccola avaria.*)

This term, which is sometimes also known as "customary average," means several petty charges, which are borne partly by the ship and partly by the cargo, such as the expense of towage, beaconage, etc. It is now usually included in the freight.

PETTY CASH BOOK. (Fr. *Frais généraux*, Ger. *kleine Kasse*, Sp. *Libro de caja para gastos menudos*. It. *Libro dei piccoli pagamenti.*)

This is a book set aside for an account of small payments made. Its use curtails the number of entries which would have to be made in respect of such payments in the general cash book.

PIASTRE. (Fr. *Piastre*, Ger. *Piaster*, Sp. *Piastra*, It. *Piastra.*)

This Italian word signifies a thin plate of metal. The name has been adopted for a coin in the Levant. The Turkish piastre is worth a fraction more than 2*d.* in English money, and the Egyptian piastre about 2½*d.* The Spanish piastre is an imaginary coin, having for purposes of exchange a circulating value of five pesetas. The Tunisian piastre is worth a minute fraction more than 5¾*d.*

PIECE GOODS. (Fr. *Marchandises à la pièce*, Ger. *Stückgüter, Ellenwaren*, Sp. *Géneros vendidos por piezas*, It. *Merci alla pezza o in metratura.*)

This name is applied to those goods which are sold by the piece, as sheetings, cambric, canvas, carpets, etc., such articles being described by the customs as cotton piece goods, linen piece goods, etc., according to the raw material from which they are made.

PILFERAGE. (Fr. *Coulage*, Ger. *Diebstahl*, Sp. *Ratería*, It. *Perdite per furto.*)

This is a term used in shipping documents, referring to any loss caused by theft during transit.

PILOT. (Fr. *Pilote*, Ger. *Lotse*, Sp. *Piloto*, It. *Pilota.*)

A pilot is a person taken on board ship at a particular place for the purpose of conducting the vessel through an intricate channel, river, road, etc., or into or out of port. No man can act as a pilot unless he is properly qualified and licensed. By English law as soon as a pilot is taken on board, if the ship is by law subject to pilotage, the master has no longer any control over the navigation of the vessel until she is safe in harbour, or out of pilotage limits, and by general maritime law the owners are not responsible for any loss or damage that may arise from the negligence of the pilot, unless it appears that the loss or damage arose from the neglect or misconduct of the crew in disobeying the orders of the pilot. But there are exceptions to this general rule. The effect of taking a pilot on board in the Suez Canal is to constitute him adviser only. The owners cannot then shelter themselves behind compulsory pilotage. By the laws of some countries pilotage, even though compulsory, is never a defence. If a pilot negligently loses a ship committed to his care and is convicted, he becomes legally incapacitated from acting as a pilot. The rates payable for pilotage are fixed by the port authorities, both in the United Kingdom and abroad.

The law as to pilotage in the United Kingdom has been consolidated and considerably amended by the Pilotage Act, 1913, which does not come into force, however, in its entirety for some time yet.

PILOTAGE. (Fr. *Pilotage*, Ger. *Lotsengebuhr*, Sp. *Pilotaje*, It. *Pilotaggio.*)

Pilotage means the act of employing a pilot, or the sum of money paid for his services.

PINT. (Fr. *Pinte*, Ger. *Pinte, Schoppen*, Sp. *Pinta*, It. *Pinta o litri* 0·56.)

This is a measure of capacity, the eighth part of a gallon, used for both liquids and dry goods. The imperial, or legal pint, is equivalent to a little more than 34½ cubic inches.

PIPE. (Fr. *Pipe*, Ger. *Pipe*, Sp. *Pipa*, It. *Botte, fusto della capacità di litri* 477.)

The pipe is a measure of capacity, used almost exclusively in the wine trade, especially in France, Spain, and Portugal, where, however, the capacity varies. The common English pipe contains very nearly 185 imperial gallons; but there are variations in the measure of different kinds of wine—a pipe of port containing 114 imperial gallons, a pipe or butt of sherry, 108 gallons, and a pipe of Madeira, 92 gallons.

PIRACY. (Fr. *Piraterie*, Ger. *Seeräuberei*, Sp. *Piratería*, It. *Pirateria.*)

The term "piracy" is given to the act

of robbery on the high seas. By international law this crime is punishable with death. The word is also used to denote infringement of copyright.

PLAIN SPIRITS. (Fr. *Alcool naturel*, Ger. *einfacher Spiritus*, Sp. *Espiritu simple*, It. *Alcool naturale.*)

This is the name given to spirits in their original state, before anything of an artificial character has been added to them.

PLAINT. (Fr. *Plainte*, Ger. *Klage*, Sp. *Pleito*, It. *Querela.*)

This is the statement of the substance of an action made in writing against a person in a county court action.

PLAINTIFF. (Fr. *Demandeur, partie civile*, Ger. *Kläger*, Sp. *Demandante*, It. *Querelante, attore, parte civile.*)

The plaintiff is the complainant in a court of law, that is, one who commences and carries on a law-suit against another.

PLANT. (Fr. *Matériel, équipage, outillage, installation*, Ger. *Betriebsanlage*, Sp. *Planta, material*, It. *Impianto, materiale d'impianto.*)

Plant comprises the fixtures, tools, machinery, and other appliances necessary for the carrying on of a business.

PLEA. (Fr. *Défense*, Ger. *Verteidigungsrede*, Sp. *Defensa*, It. *Eccazione.*)

This is the defendant's answer in a law-suit to the declaration of the plaintiff.

PLEADINGS. (Fr. *Plaidoiries*, Ger. *Verhandlungen*, Sp. *Alegaciones*, It. *Dibattimento.*)

These are the statements of the two parties to a law-suit, setting out the facts of the complaint and the defence.

POLICY. (Fr. *Police*, Ger. *Police*, Sp. *Póliza*, It. *Polizza.*)

This is the document which sets out the terms of the contract of insurance entered into between the insurers and insured. Policies of life and marine insurance are assignable by statute, under certain conditions. Fire insurance policies are not, as a rule, assignable.

POLICY HOLDER. (Fr. *Assuré*, Ger. *Policeninhaber*, Sp. *Tenedor de poliza*, It. *Assicurato, possessore di polizza.*)

The policy holder is the person who has in his possession, or under his control, a policy of insurance. He may be either the insured himself or the assignee of the policy.

POLICY PROOF OF INTEREST. (Fr. *Droit qui dépend de la police*, Ger. *Beweis durch Police allein*, Sp. *Derecho de posesión*, It. *Diritto che deriva della polizza.*)

This signifies that in the event of a loss the insured is entitled to recover from the underwriters without producing any other document than the policy to which the clause is attached.

POLL. (Fr. *Election*, Ger. *Wahl*, Sp. *Elección*, It. *Elezione.*)

At meetings of a public character it is the common practice to decide any particular question by a show of hands. If this process is not satisfactory to some of the members present—the number depends upon the special circumstances of the case and the character of the meeting—a demand may be made for a poll, when the voting must take place and the result decided by the number of voters. The word "poll" means head.

POOL. (Fr. *Poule*, Ger. *Poule*, Sp. *Polla*, It. *Pollo.*)

This is a combination of persons who put their money together to operate upon a large scale for their own benefit.

PORT. This word is used with various meanings:—

1. (Fr. *Port*, Ger. *Hafen*, Sp. *Puerto*, It. *Porto.*)

A place for the arrival and departure of ships, where they embark and discharge cargoes. For the use of the accommodation provided certain charges are made, called port charges. With the exception of certain coasting vessels of small burden, every British ship must be registered at some port, called its port of registry. The port is then the place of origin of the vessel.

2. (Fr. *Sabord*, Ger. *Pfortluke*, Sp. *Tronera*, It. *Cannoniera.*)

In nautical language, an aperture in a ship's side, to admit light and air, and through which a gun can be pointed.

3. (Fr. *Bâbord*, Ger. *Backbord*, Sp. *Babor*, It. *Orza.*)

The left-hand side of a ship when looking towards the bow, in which sense it has taken the place of the name "larboard."

PORTAGE. There are three senses in which the word is used:—

1. (Fr. *Port*, Ger. *Tragen*, Sp. *Acarreo, porte*, It. *Porto, trasporto, facchinaggio.*)

The act of carrying, generally called porterage.

2. (Fr. *Port, frais de port*, Ger. *Trägerlohn*, Sp. *Acarreo*, It. *Spese di porto o trasporto.*)

The price charged for the act of carrying. This is generally called porterage.

3. (Fr. *Portage*, Ger. *Tragstelle*, Sp. *Transbordo*, It. *Trasbordo.*)

A piece of land lying between two lakes or streams, over which goods and boats have to be transported by porters.

PORTER. (Fr. *Porteur*, Ger. *Lastträger*, Sp. *Portero*, It. *Commissionario, facchino.*)

This is a person who carries burdens for hire.

PORTERAGE. (Fr. *Portage, port*, Ger. *Botenlohn*, Sp. *Gastos de descarga*, It. *Spese di facchinaggio.*)

This is the charge made by the post office for the delivery of telegraphs outside the radius of free delivery. The ordinary charge for inland telegrams includes delivery within the town postal limits, or within three miles of a head office. Beyond that limit the charge is 3*d.* a mile from the office door. Porterage is generally paid by the sender of the telegram.

POST. This word may mean:—

1. (Fr. *Poste*, Ger. *Post*, Sp. *Correo*, It. *Posta, corriere.*)

The established system for the conveyance of letters. (See *Mail.*)

2. (Fr. *Ecu*, Ger. *Briefpapier*, Sp. *Papal de correo*, It. *Carta da scrivere per corrispondenza commerciale.*)

A size of writing paper about 15¼ ins. by 19 ins., so called from the watermark, a postman's horn.

3. (Fr. *Porter au livre*, Ger. *buchen*, Sp. *Asentar*, It. *Registrare, mettere a libro.*)

In book-keeping, to transfer an entry from any other book to the ledger.

POST-DATE. (Fr. *Postdater*, Ger. *nachdatieren*, Sp. *Posdatar*, It. *Posdatare.*)

The meaning of this term is to date after the real time. Post-dating occurs most frequently in connection with bills of exchange and cheques. The former are not invalid by reason of being post-dated. But the issue of the latter is a breach of the stamp laws, so that if a holder attempts to enforce his claim before the date named on the cheque, the drawer renders himself liable to penalties. But a post-dated cheque may be put in evidence in the course of an action at law for a collateral purpose.

POST-ENTRY. (Fr. *Déclaration additionnelle*, Ger. *Nachdeklaration*, Sp. *Entrada notada*, It. *Supplemento di dichiarazione doganale.*)

When a bill of sight has been given in respect of goods, and it is afterwards discovered that the descriptions and quantities in the bill are incorrect, a post-entry is required to give the correct particulars.

POST MERIDIAN. (Fr. *Post méridien, de l'après-midi*, Ger. *nachmittags*, Sp. *Después del mediodía*, It. *Ore pomeridiane, pomeriggio.*)

The real expression should be *post meridiem*, which is the Latin form for "After mid-day," or "in the afternoon."

POST OBIT BOND. (Fr. *Contrat exécutoire après décès*, Ger. *nach dem Tode zahlbare Verschreibung*, Sp. *Escritura valable después de la muerte*, It. *Obbligazione pagabile dopo la morte.*)

This is a bond in which a person receiving money binds himself to repay the same—generally with the addition of a large amount by way of interest—after the death of an individual from whom he has expectations. These bonds are not looked upon with favour in equity, and relief will sometimes be granted against them when made by heirs or other expectants. Mere inadequacy of price is not sufficient to set aside a post obit bond, but if it is shown that there has been anything of an overreaching or unconscionable nature in the transaction, the court may order the bond to be delivered up, and only order the grantor to pay the sum of money actually advanced together with reasonable interest and costs.

POST TOWN. (Fr. *Ville ayant un bureau de poste*, Ger. *Postort*, Sp. *Administración de correos*, It. *Città con ufficio postale.*)

This is a town in which there is a post office.

POSTAGE. (Fr. *Ports de lettres, port*, Ger. *Porto*, Sp. *Gastos de correo*, It. *Spese postali.*)

Postage is the money paid for the conveyance of letters, newspapers, book-packets, etc., by post. (See *Mail.*)

POSTAL ORDERS. (See *Money Orders.*)

POSTAL RATES. (See *Mail.*)

POSTE RESTANTE. (Fr. *Poste restante*, Ger. *postlagernd*, Sp. *Lista de correo, poste restante*, It. *Fermo in posta.*)

This is a French phrase written upon letters and parcels sent through the post when they are to remain at the post office until the addressee calls for them. As this is a convenience established solely for the accommodation of strangers and travellers, it is subject to several restrictions.

(1) The words "poste restante," or "to be called for," must be included in the address.

(2) Residents in a town cannot make use of the Poste Restante, and strangers may not use it for more than three months.

(3) Letters or parcels addressed to

initials, to fictitious names, or to a Christian name without a surname, are not received.

(4) Letters or parcels may not be re-directed from one Poste Restante to another in the same town, nor from a private address to a Poste Restante in the same town.

(5) Persons applying for letters or parcels must furnish all necessary particulars to prevent mistakes and to insure delivery to the persons to whom they properly belong. They must give some evidence of their identity.

(6) Letters from abroad addressed to the "Poste Restante, London," are retained for two months, letters from provincial towns for one month, and letters posted in London for a fortnight. At the expiration of these respective times they are sent to the returned letter office for disposal. A letter addressed to a provincial post office is only retained for one month, unless sent from abroad, when it is kept two months, as in London.

POSTING. (Fr. *Poster au grand livre,* Ger. *Übertragung,* Sp. *Asentar los asientos,* It. *Passare o portare al libro mastro, trascrivere al mastro.*)

This is a book-keeping term which denotes the transferring of the entries in the journal, or other subsidiary books, to their separate accounts in the ledger.

POSTSCRIPT. This word means:—

1. (Fr. *Post-scriptum,* Ger. *Nachschrift,* Sp. *Posdata,* It. *Poscritto.*)

A part added to a letter after the signature.

2. (Fr. *Addendum, envoi,* Ger. *Anhang,* Sp. *Posdata,* It. *Appendice.*)

An addition to a book after it has been finished.

POUND. This word is used with two meanings:—

1. (Fr. *Demi-kilogramme, livre,* Ger. *Pfund,* Sp. *Libra,* It. *Libbra o libra mezzo chilogrammo.*)

A weight of twelve ounces troy (5,760 grains), or sixteen ounces avoirdupois (7,000 grains).

2. (Fr. *Livre sterling, vingt-cinq francs,* Ger. *Pfund Sterling,* Sp. *Libra esterlina,* It. *Lira sterlina.*)

The standard British monetary unit. It is a certain weight of gold, fixed by statute at 123·27447 grains troy. Forty pounds weight of standard gold bullion are cut into 1,869 pounds or sovereigns, or 1 lb. weight is cut into £46 14*s.* 6*d.*

POUNDAGE. Poundage may mean:—

1. (Fr. *Commission,* Ger. *Pfundgeld,* Sp. *Comisión,* It. *Commissione, provvigione.*)

A charge of so much on each £, as that on money and postal orders.

2. (Fr. *Commission,* Ger. *Provision per Pfund,* Sp. *Comisión,* It. *Provvigione, benefizio.*)

An allowance of so much in the £, such as is granted to postmasters for the sale of stamps.

POWER OF ATTORNEY. (Fr. *Pouvoir,* Ger. *Vollmacht,* Sp. *Poder, procuración,* It. *Mandato di procura.*)

(See *Attorney, Power of.*)

PRECEPT. (Fr. *Mandat,* Ger. *schriftlicher Befehl,* Sp. *Mandato judicial,* It. *Ordine, mandato giudiziario.*)

Generally, a precept is a written warrant of a magistrate. As applied to accounts, an order from a responsible person, authorising the payment of specific sums of money, or the doing of specific acts.

PRÉCIS. (Fr. *Précis,* Ger. *Auszug,* Sp. *Precis, sumario,* It. *Traccia, sommario.*)

A précis is an abridged statement, abstract, or summary of a letter or other document. Its merits are:—

(1) To contain all that is important in the correspondence and nothing else.

(2) To present it in a connected and readable shape, expressed as distinctly as possible, and as briefly as compatible with completeness and distinctness.

PREFERENCE BONDS. (Fr. *Bons privilégiés,* Ger. *Prioritäten,* Sp. *Obligaciones de prioridad,* It. *Obbligazioni privilegiote.*)

These are bonds which are issued at a fixed rate of interest, and are payable before the profits of a business are divided amongst the ordinary shareholders.

PREFERENCE STOCK AND SHARES. (Fr. *Actions privilégiées, actions de priorité,* Ger. *Vorrechtsaktien,* Sp. *Acciones privilegiados, acciones de prioridad,* It. *Capitali e azioni privilegiote.*)

Preference stock and shares is or are stock or shares entitling the holder to preferential rights as to dividend or capital over the ordinary or deferred shareholders.

The preferential rights as to dividend may be cumulative or non-cumulative. If the former, the holder is entitled to a certain rate per cent. out of the profits, and should the profits of any particular year prove insufficient to pay the agreed rate, the deficiency must be made up out of the profits of subsequent years. If the latter, the deficiency is not met in this manner. The shareholder must

be content with as much of his interest as he can obtain in any one particular year.

The preferential rights as to capital, and any peculiar rights as to voting at meetings of the company, etc., must be provided for by the articles or memorandum of association.

In extreme cases, though very rarely indeed, pre-preference bonds and shares may be issued.

PREFERENTIAL PAYMENTS IN BANKRUPTCY ACTS. These are two Acts, passed in 1888 and 1897 respectively, setting forth the creditors who are entitled, in cases of bankruptcy or the winding-up of joint-stock companies, to have their claims paid in preference to the claims of the ordinary creditors of the bankrupt or the company. These Acts have been repealed, but their provisions are re-enacted by the Companies (Consolidation) Act, 1908, and the Bankruptcy Act, 1914, respectively.

By the Act of 1888, the following payments have priority over all other debts: -

(*a*) All parochial or other local rates due from the bankrupt or the company at the date of the receiving order or, as the case may be, the commencement of the winding-up, and having become due and payable within twelve months next before that time, and all assessed taxes, land tax, property or income tax assessed on the bankrupt or the company up to the fifth day of April next before the date of the receiving order, or, as the case may be, the commencement of the winding-up, and not exceeding in the whole one year's assessment.

(*b*) All wages or salary of any clerk or servant in respect of services rendered to the bankrupt or the company during four months before the date of the receiving order, or the commencement of the winding-up, up to £50.

(*c*) All wages of any labourer or workman not exceeding £25, whether payable for time or piece work, in respect of services rendered to the bankrupt or the company during two months before the date of the receiving order or the commencement of the winding-up; provided that where any labourer in husbandry has entered into a contract for the payment of a portion of his wages in a lump sum at the end of the year of hiring, he shall have priority in respect of the whole of such sum, or a part thereof, as the court may decide to be due under the contract, proportionate to the time of service up to the date of the receiving order or the commencement of the winding-up.

These debts rank equally between themselves, and must be paid in full, unless the assets of the bankrupt or the company are insufficient to meet them, in which case they must abate proportionately. The only other reduction to which they are liable is the sum necessary for the costs of administration, etc.

Although the landlord enjoys the summary right of distress, with certain restrictions and limitations, he is neither a secured nor a preferential creditor, and if he distrains or has distrained upon the goods or effects of a bankrupt or a company in process of being wound-up within three months before the date of the receiving order or the winding-up order respectively, the above preferential debts form a first charge upon the goods or effects distrained upon, or their proceeds.

The Act does not affect the prior claim for funeral and testamentary expenses, when a person dies insolvent, nor can any moneys in the possession of a deceased or bankrupt officer of a Friendly Society or a Savings Bank be diverted from such society or bank for the payment of any obligations whatever.

The Act of 1897 was passed to meet the case of the whole of the assets of a company being swallowed up by debenture-holders and secured creditors. Where debentures have been issued as a floating charge—but not otherwise—it is provided that—

(*a*) The preferential claims set out in the Act of 1888 shall, as far as the assets of the company available for payment of general creditors are insufficient to meet them, have priority over the claims of the holders of such debentures, and shall be paid accordingly out of any property comprised in or subject to such charge.

(*b*) In case a receiver is appointed on behalf of the holders of any such debentures, or in case possession is taken by or on behalf of such debenture-holders of any property comprised in or subject to such charge, then and in either of such cases, if the company is not at the time in course of being wound up, the above-named preferential claims shall be paid forthwith out of any assets coming to the hands of the receiver, or other person taking possession in priority to any claim for principal or interest in respect of such debentures. The periods of time mentioned in the Act of 1888 are

to be reckoned from the date of the appointment of the receiver or the taking of possession; and any payments made must be recouped as far as possible out of the assets of the company available for the payment of general creditors.

By the Workmen's Compensation Act, 1906, a new preferential payment was created, viz., a sum not exceeding £100 in the bankruptcy of an individual or the winding-up of a joint-stock company, if an award has been made before the date of the receiving order or of the winding-up. Lastly, claims arising out of the National Insurance Act, 1911, must be provided for to the extent of four months' contributions due before the bankruptcy or the winding-up.

There are special regulations issued by the Board of Trade and the Inland Revenue authorities as to assessed taxes.

PREFERENTIAL CREDITOR. (Fr. *Créancier privilégié*, Ger. *bevorrechtigter Gläubiger*, Sp. *Acreedor privilegiado*, It. *Creditore privilegiato.*)

This is a creditor who in a bankruptcy or a winding-up is entitled to payment of his debts in priority to other creditors.

PREFERRED STOCK. (Fr. *Actions privilégiées, actions de priorité*, Ger. *Prioritäts-papiere*, Sp. *Acciones privilegiadas*, It. *Capitali privilegiati, capitali con diritto di priorita.*)

This is that part of the stock or capital of a company which is entitled to dividend in priority to another part.

PREMIUM. (Fr. *Prime*, Ger. *Prämie*, Sp. *Prima, premio*, It. *Premio, gratificazione.*)

This word means :—

(*a*) A bounty; or

(*b*) A payment for a loan, in lieu of, or in addition to, interest; or

(*c*) The annual payment made for insurance; or

(*d*) The difference in value above the original price or par of stock, as opposed to discount.

PREPAID. (Fr. *Payé d'avance*, Ger. *frankiert, vorausbezahlt*, Sp. *Pagado por adelantado*, It. *Pagato anticipatamente.*)

Payment is said to be prepaid when it is made before money is due, or payment in advance.

PREPAY. (Fr. *Payer d'avance*, Ger. *vorausbezahlen*, Sp. *Pagar por adelantado*, It. *Pagare anticipatamente.*)

This is to pay money before it is due, or in advance.

PREPAYMENT. (Fr. *Payement d'avance, paiement d'avance*, Ger. *Vorausbezahlung*, Sp. *Pago por adelantado*, It. *Pagamento anticipato.*)

This is payment before the stipulated time, or before money is due, or in advance.

PRESENT VALUE. This term is used to denote:—

1. (Fr. *Valeur actuelle d'une traite*, Ger. *wirklicher Wert eines Wechsels*, Sp. *Valor actual de una letra*, It. *Valore attuale di una tratta.*)

The method of discounting a bill of exchange which consists in deducting the interest at a certain agreed rate per cent. from the face value of the bill.

2. (Fr. *Valeur actuelle d'un payement différé*, Ger. *wirklicher Wert einer aufgeschobenen Zahlung*, Sp. *Valor actual de un pago diferido*, It. *Valore attuale di un pagamento differito.*)

The method of finding the present value of a deferred payment when compound interest is calculated on the sum paid.

3. (Fr. *Valeur actuelle d'une annuité*, Ger. *wirklicher Wert einer Leibrente*, Sp. *Valor actual de una anualidad*, It. *Valore attuale di una rendita annua o pagamento annualo.*)

The method of finding the present value of a series of payments due at regular intervals, as an annuity.

PRESENTMENT. (Fr. *Présentation*, Ger. *Präsentierung, Vorzeigung*, Sp. *Presentación, vista*, It. *Presentazione.*)

The formal act of bringing a bill of exchange to the notice of the drawee for procuring his acceptance, or, after acceptance, for payment.

Acceptance.—Where a bill is payable after sight, presentment for acceptance is necessary in order to fix the maturity of the instrument. Where a bill expressly stipulates that it shall be presented for acceptance, or where a bill is drawn payable elsewhere than at the residence or place of business of the drawee, it must be presented for acceptance before it can be presented for payment. In no other case is presentment for acceptance necessary in order to render any party to the bill liable.

The drawee, of course, is no party to the bill until he has accepted. The object of presentment is: (1) to obtain the signature of the drawee and thereby secure his liability as a party, and (2) to obtain an immediate right of recourse against antecedent parties in case the bill is dishonoured by non-acceptance.

Where the holder of a bill, drawn payable elsewhere than at the place of business or residence of the drawee, has not time, with the exercise of due

diligence to present the bill for acceptance before presenting it for payment on the day that it falls due, the delay caused by presenting the bill for acceptance before presenting it for payment is excused, and does not discharge the drawer and indorsers.

When a bill payable after sight is negotiated, the holder must either present it for acceptance or negotiate it within a reasonable time; and if he fails to do so the drawer and all indorsers prior to that holder are discharged.

The following are the rules as to presentment for acceptance:—

(*a*) The presentment must be made by or on behalf of the holder to the drawee or to some person authorised to accept or refuse acceptance on his behalf at a reasonable hour on a business day, and before the bill is overdue.

(*b*) Where a bill is addressed to two or more drawees, who are not partners, presentment must be made to them all, unless one has authority to accept for all, then presentment may be made to that one only.

(*c*) Where the drawee is dead, presentment may be made to his personal representative.

(*d*) Where the drawee is bankrupt, presentment may be made to him or to his trustee.

(*e*) Where authorised by agreement or usage, a presentment through the post office is sufficient.

Presentment for acceptance is excused in the following cases:—

(*a*) Where the drawee is dead or bankrupt, or is a fictitious person or a person not having capacity to contract by bill.

(*b*) Where, after the exercise of reasonable diligence, such presentment cannot be effected.

(*c*) Where although the presentment has been irregular, acceptance has been refused on some other ground.

The fact that the holder has reason to believe that the bill, on presentment, will be dishonoured does not excuse presentment.

When a bill is duly presented for acceptance, and is not accepted within the customary time, the person presenting it must treat it as dishonoured by non-acceptance. If he fails to do so, the holder will lose his right of recourse against the drawer and the indorsers. The customary time is twenty-four hours. The bill must be left with the drawee, if required, and after the expiration of the twenty-four hours it must be re-delivered, accepted or unaccepted.

A holder who has complied with all the rules for presentment for acceptance, and has failed to obtain an acceptance, must treat the bill as dishonoured, and comply with the requirements of the law which are necessary upon dishonour. (See *Dishonour.*)

The holder of a bill may refuse to take a qualified acceptance, and if he does not obtain an unqualified acceptance may treat the bill as dishonoured by non-acceptance. Where a qualified acceptance is taken, and the drawer or an indorser has not expressly or impliedly authorised the holder to take a qualified acceptance, or does not subsequently assent thereto, such drawer or indorser is discharged from his liability on the bill. But this does not apply where due notice of the partial acceptance has been given. If a foreign bill has been accepted as to part, it must be protested as to the balance. When the drawer or the indorser of a bill receives notice of a qualified acceptance, and does not within a reasonable time express his dissent to the holder, he will be deemed to have assented thereto.

Payment.—If upon presentment to the drawee acceptance of the bill is refused, or if presentment is impossible or otherwise excused, there is no need for the holder to present it for payment. In other cases presentment for payment is necessary, and if the holder fails to make a due presentment the drawer and the indorsers are discharged.

Presentment for payment must be made in accordance with the following rules:—

(*a*) Where the bill is not payable on demand, presentment must be made on the day it falls due.

(*b*) Where the bill is payable on demand, presentment must be made within a reasonable time after its issue in order to render the drawer liable, and within a reasonable time after its indorsement, to render the indorser liable.

(*c*) Presentment must be made by the holder or by his agent at a reasonable hour on a business day, at the proper place, either to the person designated by the bill as payer, or to his agent.

A bill is presented at the proper place

(*a*) Where a place of payment is specified in the bill and the bill is there presented.

(*b*) Where no place of payment is specified, but the address of the drawee

or acceptor is given in the bill, and the bill is there presented.

(*c*) Where no place of payment is specified and no address given, and the bill is presented at the drawee's or the acceptor's place of business, if known, and if not, at his ordinary residence, if known.

(*d*) In any other case if presented to the drawee or acceptor wherever he can be found, or if presented at his last known place of business or residence.

Where a bill is presented at the proper place, and after the exercise of reasonable diligence no person authorised to pay or to refuse payment can be found there, no further presentment to the drawee or the acceptor is required.

Where a bill is drawn upon, or accepted by two or more persons who are not partners, and no place of payment is specified, presentment must be made to them all.

Where the drawee or the acceptor of a bill is dead, and no place of payment is specified, presentment must be made to a personal representative, if there is one, with reasonable diligence.

As in the case of presentment for acceptance, presentment for payment may be made through the post office, if authorised by agreement or usage.

Delay in presentment for payment is excused when the delay is caused by circumstances beyond the control of the holder, and not imputable to his default, misconduct, or negligence. When the cause of delay ceases to operate presentment must be made with reasonable diligence.

Presentment for payment is dispensed with in the following cases:—

(*a*) Where, after the exercise of reasonable diligence, presentment cannot be duly effected. The fact that the holder has reason to believe that the bill will, on presentment, be dishonoured, does not dispense with the necessity for presentment.

(*b*) Where the drawee is a fictitious person.

(*c*) As regards the drawer where the drawee or the acceptor is not bound, as between himself and the drawer, to accept or pay the bill, and the drawer has no reason to believe that the bill would be paid if presented.

(*d*) As regards an indorser, where the bill was accepted or made for the accommodation of that indorser, and he has no reason to expect that the bill would be paid if presented.

(*e*) By waiver of presentment, express or implied.

A bill is dishonoured by non-payment when it is duly presented for payment and payment is refused or cannot be obtained, or when presentment is excused and the bill is overdue and unpaid. When a bill is dishonoured by non-payment, an immediate right of recourse against the drawer and the indorsers accrues to the holder. The proper steps upon dishonour must then be taken. (See *Dishonour.*)

If any party to a bill is discharged from his liability thereon by reason of the holder's failure to comply with the necessary duties which devolve upon him as to presentment, such party is also discharged from all liability on the debt or consideration for which the bill was given.

PRESSURE ON THE MONEY MARKET. (Fr. *Rareté de l'argent*, Ger. *Geldnot*, Sp. *Presión en el mercado financiero*, It. *Penuria di danaro sul mercato.*)

This signifies that there is a difficulty in obtaining money, either in discounting of bills, or raising loans upon Government or other good securities, caused by a high bank rate, an unfavourable rate of exchange, or other affecting influences.

PRICE CURRENT. (Fr. *Prix courant, cours*, Ger. *Preiskurant, Preisliste*, Sp. *Precio corriente*, It. *Prezzo corrente.*)

This is a list or pamphlet, or an enumeration of the various articles of merchandise, with their prices. the duties payable thereon, if any, drawbacks, etc. Lists of this description are published periodically, weekly or oftener, in most of the great commercial cities and towns.

PRICKING NOTE. (Fr. *Permis de douane*, Ger. *Lieferungsschein*, Sp. *Permiso de la aduana*, It. *Mandato della dogana, ordine di consegna.*)

This is a shipping order from the Custom House addressed to the chief officer of a ship, requesting him to receive on board certain bonded or drawback goods required for exportation or ship's stores.

PRIMAGE. (Fr. *Prime de chargement, chapeau*, Ger. *Primgeld, Kaplaken*, Sp. *Primaje, capa*, It. *Cappa, primaggio.*)

Originally this was an allowance made by the shipper to the captain of a vessel for the use of the tackle and gear used in loading or unloading cargo; it is now simply an addition to a quoted rate of freight. The amount varies according to the usages of different ports.

PRIMAGE AND AVERAGE ACCUSTOMED. (Fr. *Chapeau et avarie comme*

d'habitude, Ger. *Primgeld und Havarie nach Seegebrauch*, Sp. *Capa y averia segun costumbre*, It. *Cappa e anticipazione secondo l'uso.*)

This phrase is frequently inserted in a bill of lading, the word "average" meaning a *pro rata* charge levied by the ship, on the owners of its cargo, to cover the expenses of lights, pilotage, wharfage, etc. The charge for average is now generally included in the charge for primage.

PRIME COST. (Fr. *Prix d'achat*, Ger. *Einkaufspreis*, Sp. *Precio de costo*, It. *Prezzo di costo.*)

This is the original, first, or direct cost of an article before any expenses or profits are added. It is distinguished from the cost of production, which includes all the items of expenditure incurred in manufacture, direct or indirect.

PRIME ENTRY. (Fr. *Déclaration*, Ger. *vorlaufige Deklaration*, Sp. *Declaración*, It. *Dichiarazione.*)

This is an entry of goods made from the particulars given in a bill of lading, invoice, or other document. If necessary, a post entry (*q.v.*) may be made after the goods have been landed and the exact quantity, measure, and weight have been ascertained.

PRINCIPAL. This word means either:
1. (Fr. *Chef, principal*, Ger. *Prinzipal*, Sp. *Jefe, principal*, It. *Principale.*)

The head of or chief person in a firm. The person who employs an agent.

2. (Fr. *Principal, capital*, Ger. *Kapital*, Sp. *Capital*, It. *Capitale, sorte.*)

Money upon which interest is calculated or paid.

PRIVATE ARRANGEMENT. (Fr. *Acte écrit sous seing privé*, Ger. *gütlicher Vergleich*, Sp. *Escritura privada*, It. *Accordo privato, scrittura privata di concordato.*)

This is an agreement made between a debtor who is insolvent and his creditors to avoid the expense and publicity of proceedings in bankruptcy. Such an arrangement must be made by deed, and the deed must be registered. (See *Deed of Arrangement.*)

PRIVATE BANK. (See *Bank, Private.*)

PRIVATE COMPANY. (Fr. *Association*, Ger. *Privatgesellschaft*, Sp. *Asociación*, It. *Compagnia o societa privata.*)

Until 1908 a private company was always considered to be a company constituted of seven or more members, the capital of which was privately subscribed, and the greater part of the holding in the hands of a very small number of the shareholders. The first part of this article deals exclusively with such a company.

In his work on "Company Law" Sir F. B. Palmer, the well-known authority, says: "No satisfactory—that is, exhaustive—definition of a private company can be given; the term is too elastic; but some leading characteristics may be indicated. One is that a private company is started and worked without appealing to the public for capital. A company which appeals to the public by prospectus, circular or otherwise, is not classed as a private company. On the other hand, the fact that a company does not appeal to the public is not infallible evidence or conclusive that it is not a public company, for some public companies are started without any such appeal, being privately subscribed. Another characteristic which commonly distinguishes the private company is that it is composed of a very limited number of members, perhaps seven, eight, or nine. There are public companies, no doubt, of which this is also true, but the limited number of members in the case of the public company is attributable in most cases not to design but to disaster—to their not having been successfully floated. And not only are the members few in the case of a private company, but the great bulk of the shares are usually in the hands of only some of these few members, e.g., in the hands of one, two, three, or four members. A further characteristic is that the right to transfer shares is, in the case of most private companies, closely fettered, and that the continuing members are commonly given a preferential right to purchase the shares of an outgoing member. Special provisions are also adopted in regard to the directorate. The nature of a private company may, in fact, be best summed up by saying that it is a sort of close corporation into which there is practically no admission for outsiders, and the shares of which are not obtainable in the market—a statutory partnership carried on as a limited liability company under the Act of 1862, and in this light it is regarded both by the public and by the members. The private character of such a company may at any time be terminated by the public being let in and allowed to take shares either by allotment or transfer. When this is the case the company is no longer in the category of private companies."

Many well-known and successful trading firms have been converted into private companies. According to a recent return it appears that about one-third of the whole number of companies registered are private companies.

Some doubt was thrown upon the constitution of private companies a few years ago, owing to the establishment of what were known as "one man" companies, that is, private companies in which practically the whole of the shares and the entire management of the affairs are in the hands of one individual. Such doubt was set at rest by the decision of the House of Lords in the case of *Salomon* v. *Salomon and Company, Limited*, 1897. A.C. 22. The head-note of the case is as follows:—

"It is not contrary to the true intent and meaning of the Companies Act, 1862, for a trader, in order to limit his liability and obtain the preference of a debenture-holder over other creditors, to sell his business to a limited company consisting only of himself and six members of his own family, the business being then solvent, all the terms of sale being known to and approved by the shareholders, and all the requirements of the Act being complied with.

"A trader sold a solvent business to a limited company with a nominal capital of 40,000 shares of £1 each, the company consisting only of the vendor, his wife, a daughter, and four sons, who subscribed for one share each, all the terms of sale being known to and approved by the shareholders. In part payment of the purchase-money, debentures forming a floating security were issued to the vendor. Twenty thousand shares were also issued to him and were paid for out of the purchase-money. These shares gave the vendor the power of outvoting the six other shareholders. No shares other than these 20,007 were ever issued. All the requirements of the Companies Act, 1862, were complied with. The vendor was appointed managing director; bad times came, the company was wound up, and after satisfying the debentures there was not enough to pay the ordinary creditors.

"Held, that the proceedings were not contrary to the true intent and meaning of the Companies Act, 1862; that the company was duly formed and registered and was not the mere 'alias' or agent of or trustee for the vendor; that he was not liable to indemnify the company against the creditors' claims; that there was no fraud upon creditors or shareholders; and that the company (or the liquidator suing in the name of the company) was not entitled to rescission of the contract for purchase."

So long, therefore, as all the legal requirements of the Companies Acts are fulfilled, there is nothing to prevent any private trader limiting his liabilities in any manner he wishes.

Among the advantages to be derived from the conversion of a private trading concern or a partnership into a private company, are the following:—

(1) There is the great protection of limited liability. In a partnership, each partner is liable for the debts of the firm to his last penny. When conversion has taken place the amount is limited to the capital of the concern.

(2) There is the advantage of continuity by incorporation, and the avoidance of all the difficulties and dislocation attending a partnership when one of the partners dies or becomes bankrupt.

(3) A company has facilities for borrowing, by means of debentures, which a partnership never enjoys.

(4) Arrangements between the members of a company and the company itself are much less complicated than in the case of a partnership. Members of a partnership are one for many purposes; members of a company are totally distinct from the company.

Private companies are formed and constituted like any other company, and are under the same statutory obligations. In two points, however, they differ from public companies by the Companies Act, 1908:—

(1) Since there is no offer of shares to the public they cannot pay any underwriting commission in respect of their shares;

(2) They may commence business immediately after incorporation.

The articles of association of a private company will be drawn up under special circumstances, and with a view to the peculiar nature of the company and its members. So many matters will have to be taken into consideration that no general rules can be laid down. The main provisions, other than those dealing with the general business of the concern, will have reference to the transfer of shares (since it is often the desire of the members to restrict the membership to a select class) and to the appointment and retirement of the directors.

A statutory private company was first established by the Companies Act, 1907, and is defined in sec. 121 of the Companies (Consolidation) Act, 1908, as one which—(*a*) Restricts the right to transfer its shares; (*b*) limits the number of its members (exclusive of pers ns who are in the employment of the company) to fifty; and (*c*) prohibits any invitation to the public to subscribe for any shares or debentures of the company. The maximum number of members is, as is seen, fifty, but the minimum is two instead of seven. A private company can at any time, by special resolution, turn itself into a public company.

A difficulty having arisen with respect to the provisions contained in the Companies (Consolidation) Act, 1908, as to private companies, an amending statute was passed in 1913 (3 and 4 Geo. 5, c. 25). The new Act, which came into force on the 15th August, 1913, practically consists of one section, which is as follows:—

1.—(1) Where the articles of a company include the provisions which, by sec. 121 of the Companies (Consolidation) Act, 1908, as amended by this Act, are required to be included therein in order to constitute the company a private company for the purposes of that Act, and default is made in complying with any of those provisions, the company shall cease to be entitled to the privileges and exemptions conferred on private companies under the provisions of that Act mentioned in the Schedule of this Act, and thereupon the said provisions shall apply to the company as if it were not a private company:

Provided that the court, on being satisfied that the failure to comply with the conditions was accidental or due to inadvertence or to some other sufficient cause, or that on other grounds it is just and equitable to grant relief, may, on the application of the company or any other person interested and on such terms and conditions as seem to the court just and expedient, order that the company be relieved from such consequences as aforesaid.

(2) In sub-sec. (1) of the said sec. 121 of the Companies (Consolidation) Act, 1908, for paragraph (*b*) the following paragraph shall be substituted—

"(*b*) limits the number of its members (exclusive of persons who are in the employment of the company and of persons who having been formerly in the employment of the company, were while in such employment and have continued after the determination of such employment to be members of the company) to fifty; and."

(3) Every private company shall send with the annual list of members and summary required to be sent under sec. 26 of the Companies (Consolidation) Act, 1908, a certificate signed by a director or the secretary that the company has not, since the date of the last return, or in the case of a first return since the date of the incorporation of the company, issued any invitation to the public to subscribe for any shares or debentures of the company; and, where the list of members discloses the fact that the number of members of the company exceeds fifty also a certificate so signed that such excess consists wholly of persons who under sec. 121 of that Act, as amended by this section, are to be excluded in reckoning the number of fifty.

The Schedule above referred to is as follows—

Sub-sect. 3 of sec. 26 (which relates to the making of an annual return in the form of a balance-sheet).

Sec. 114 (which relates to the right of preference shareholders and debenture-holders to receive and inspect balance-sheets and reports).

Sec. 115 (which relates to the minimum number of members with which a company may continue to carry on business).

Paragraph iv of sec. 129 (which makes the reduction of the number of members of a company below the minimum a ground for the winding-up of the company).

The formation of a private company is exactly the same as that of a public company, except that its memorandum and articles need not be signed by more than two members instead of seven, and that when registration is sought a special form of application must be filed with the registrar. Care must be taken in the drawing up of the articles so as to keep the company within bounds. The nature and contents of the articles will depend upon the special circumstances of the case.

With the following exceptions, which are provided for by statute, there is absolutely no difference between the management of a public and a private company. The latter need not do any of the following things:—

(*a*) Include with its annual summary the statement showing the financial condition of the company.

(*b*) Forward and file the statutory report.

(*c*) Place restrictions upon the appointment of directors.

(*d*) File a statement in lieu of a prospectus.

(*e*) Place restrictions on the allotment of shares.

(*f*) Obtain a minimum subscription before commencing business.

(*g*) Open its books, etc., to the inspection of either preference shareholders or debenture-holders, unless there is a provision to that effect in the articles

PRIVATE SECRETARIES. (Fr. *Secrétaires particuliers*, Ger. *Privatsekretäre*, Sp. *Secretarios privados*, It. *Segretari privati.*)

Private secretaries are those whose business it is to attend to the private correspondence and to assist their employers in their private capacities.

PRIVILEGES. (Fr. *Droits d'acheter, droits de vendre*, Ger. *Differenzgeschäfte*, Sp. *Autorización de compra y venta*, It. *Diritti di compra e vendita, opzioni.*)

This is an American term for options (*q.v.*).

PRO. (Fr. *Pour*, Ger. *per* or *pro*, Sp. *Por*, It. *Per.*)

This word is used in correspondence or in other documents when a person signs not on his own account, but on behalf of his principal or employer. Sometimes instead of "pro" the words "per pro." are used, an abbreviation of the Latin *per procurationem*. The use of either form exonerates the person signing from personal responsibility. The principal is responsible if the person signing is acting within the scope of his authority.

PRO FORMA. (Fr. *Pour la forme, simulé*, Ger. *Proforma, fingiert*, Sp. *Pro forma, simulado*, It. *Pro forma, preventivo.*)

This is a Latin phrase which means "as a matter of form." *Pro formâ* documents are drawn up after a prescribed model to satisfy some legal requirement or some trading custom.

PRO FORMA ACCOUNT. (Fr. *Compte simulé, facture simulée*, Ger. *Proformarechnung, Proformafaktur, Scheinfaktur*, Sp. *Cuenta simulada, factura simulada*, It. *Conto finto (figurato, simulato), fattura finta (figurato, simulata).*

This is a fictitious or imaginary statement of account for guidance merely.

PRO HAC VICE. A Latin phrase meaning "For this occasion."

PRO RATA. (Fr. *Pro rata, proportionné*, Ger. *pro rata, nach Verhältnis*, Sp. *Pro rata, a proporción*, It. *Pro rata, quota in proporzione.*)

This Latin phrase means "At a certain rate," or "in proportion."

PROBATE. This may mean:—

1. (Fr. *Vérification d'un testament*, Ger. *Prufung und Bestätigung (eines Testaments)*, Sp. *Verificación testamentaria*, It. *Verificazione dium testamento.*)

The proof of a will before a proper court.

2. (Fr. *Grosse d'un testament*, Ger. *Bestätigungsschein*, Sp. *Copia del testamento*, It. *Copia legalizzata del testamento.*)

The official copy of a will with the seal or certificate of the Probate Court, showing that it has been duly proved.

Until the passing of the Land Transfer Act, 1897, probate was only granted, under ordinary circumstances, of wills making a disposition of personal property situated in this country. The only person who can obtain probate of a will is the executor named therein.

Probate is obtained in either common or solemn form. The former is used for ordinary and undisputed cases, the executor presenting the will at the proper registry office, together with an affidavit that the same is the true and last will of the deceased. The latter is the method adopted when there are likely to be difficulties and disputes. All parties interested are cited to appear in court, and the will is produced, witnesses examined, and the whole facts as to the making of the will and its execution inquired into. If the court is satisfied as to the validity of the will, probate is granted. An executor cannot be called upon to prove a will a second time in solemn form. For the purposes of the Inland Revenue, a second affidavit by the executor is required, setting out the nature and value of the estate of the deceased for the purposes of the assessment of estate duty.

The jurisdiction of granting probate of wills is exercised by the Probate Court. The principal registry is at Somerset House, but the following district registries have been established, since 1858, for granting probate of the wills of persons residing at the time of death in the respective districts:—

Registry.	*District.*
Bangor	Carnarvon and Anglesey.
Birmingham . .	Warwickshire.
Blandford . . .	Dorsetshire.
Bodmin	Cornwall.
Bristol	Bristol and Bath.
Bury St. Edmunds	Suffolk, West.
Canterbury . . .	Kent, East, and Canterbury.
Carlisle	Cumberland and Westmoreland.
Carmarthen . .	Carmarthen, Cardigan, Pembroke, with the Deaneries of East and West Gower (including the town of Swansea).
Chester	Chester.
Chichester . . .	Sussex, West.
Derby	Derbyshire.
Durham	Durham.
Exeter	Devonshire.
Gloucester . . .	Gloucestershire (except Bristol).
Hereford	Herefordshire, Radnor, and Brecknock.
Ipswich	Suffolk, East, and Essex, North.
Lancaster	Lancashire, except Salford, West Derby Hundreds and Manchester.
Leicester	Leicester and Rutland.
Lewes	Sussex, East.
Lichfield	Staffordshire.
Lincoln	Lincolnshire.
Liverpool	West Derby Hundred.
Llandaff	Glamorgan and Monmouthshire.
Manchester . . .	Manchester and Salford Hundred.
Newcastle-on-Tyne	Northumberland.
Northampton . .	Northampton, Sth., and Bedford.
Norwich	Norfolk.
Nottingham . . .	Nottinghamshire.
Oxford	Oxford, Berkshire, and Buckingham.
Peterborough . .	Northampton, Nth., Huntingdon, and Cambridge.
St. Asaph	Flint, Denbigh, and Merioneth.
Salisbury	Wiltshire.
Shrewsbury . .	Shropshire and Montgomery.
Taunton	Somerset, West.
Wakefield . .	Yorkshire, West Riding.
Wells	Somerset, East, except Bath C.C. District.
Winchester .	Hampshire.
Worcester .	Worcestershire.
York	Yorkshire, N. and E. Riding (including York).

A district registrar has full power to grant probate if he is satisfied that the deceased had his permanent place of abode in the particular district over which his jurisdiction extends. The wills of those persons who reside at the time of death in London, or in a district having no registry, must be proved at Somerset House.

As copies of all wills are sent to Somerset House, though the originals are kept in the district registry, it is possible for any person to read a copy of any will by going to Somerset House, on payment of a fee of one shilling. Copies may also be obtained, the cost of which will depend upon the length.

As to the duties to be paid on taking out probate of a will, or letters of administration, see *Estate Duty*.

PROCEEDS. (Fr. *Produit*, Ger. *Ertrag*, Sp. *Producto*, It. *Ricavato, ricavo.*)

This is the actual sum of money realised by a sale or other transaction after all the expenses connected with the same have been deducted.

PROCURATION. (Fr. *Procuration*, Ger. *Prokura*, Sp. *Poder, procuración*, It. *Procura, per procura.*)

This means the permission granted by one person to another, allowing the latter to sign or act for the other. The custom is to sign "per pro." or "p. p." A procuration fee is a commission paid for effecting a loan.

PRODUCE. (Fr. *Produit*, Ger. *Produkte*, Sp. *Producción, producto*, It. *Produzione, prodotti.*)

This word is used to denote the productions of any country generally, but it is more usually applied to such articles as tea, coffee, sugar, cotton, spices, drugs, dyes, etc.

PRODUCER. (Fr. *Producteur*, Ger. *Fabrikant, Erzeuger*, Sp. *Productor*, It. *Produttore.*)

The producer is a person who grows commercial commodities, as an agriculturist, or one who makes them, as a manufacturer. The term is used in contrast with middlemen and consumers.

PRODUCTIONS, COMMERCIAL. (See *Commercial Products.*)

PROFIT. (Fr. *Profit*, Ger. *Gewinn, Nutzen*, Sp. *Ganancia, provecho*, It. *Profitto, guadagno.*)

Profit is defined as the gain resulting from the employment of capital. It really consists of the produce or its value which remains to those who employ their capital in an industrial undertaking after all the necessary payments have been deducted, and all the capital wasted and used in the undertaking has been replaced. In joint-stock companies profits alone are available for dividends; though in very exceptional cases this rule may be relaxed. (See *Dividends.*) The directors cannot pay dividends out of capital.

"Profits must not be confounded with the produce of industry primarily received by the capitalist. They really consist of the produce or its value remaining to those who employ their capital in an industrial undertaking after all their necessary payments have been deducted, and after the capital wasted and used in the undertaking has been replaced. If the produce derived from an undertaking, after defraying the necessary outlay, be insufficient to replace the capital exhausted, a loss has been incurred. If the capital is merely sufficient to replace the capital exhausted, there is no surplus—there is no loss, but there is no annual profit, and the greater the surplus is the greater the profit." (McCulloch.)

"Capital is consumed in producing; capital is wealth, and there must be restoration of such wealth as is not destroyed by enjoyment, but in creating other wealth. If that new wealth were not forthcoming there could be no motive to apply any wealth to capital. Profit, which is reward, cannot begin till the replacement of the things consumed has been completed."

(Bonamy Price.)

In simple cases there is no difficulty in determining what is profit. For example, if an article is manufactured, there are certain expenses connected with its production. These may be divided into four parts :—

(1) Raw material and labour.

(2) Interest on the capital employed.

(3) Insurance against risks and accidents.

(4) Reward for management, superintendence, and skill on the part of the capitalist.

Whatever remains over after these charges have been deducted from the price obtained for the finished article is profit.

But in the case of large businesses and joint-stock companies, there are other methods to be employed in ascertaining what are profits, and these are important, since it is the ordinary rule that dividends cannot be paid except out of the profits arising from the business of the company. The following is the method advocated by Lord Wrenbury (formerly Lord Justice Buckley), in his work on the Companies Acts :—

"The profits of an undertaking are not such sum as may remain after the payment of every debt, but are the excess of revenue receipts over expenses properly chargeable to revenue account. As to what expenses are properly chargeable to capital and what to revenue it is necessarily impossible to lay down any general rule. In many cases it may be for the shareholders to determine this for themselves, provided the determination be honest and within legal limits.

"Where expenses, properly chargeable to capital, have been paid out of revenue, the company are justified in recouping the revenue account at a subsequent time out of capital.

"The proper and legitimate way of arriving at a statement of profits is, to take the facts as they actually stand, and, after forming an estimate of the assets as they actually exist, to draw a balance so as to ascertain the result in the shape of profit or loss. If this be done fairly and honestly, without any fraudulent intention or purpose of deceiving any one, it does not render the dividend fraudulent that there was not cash in hand to pay it, or that the company were even obliged to borrow money for that purpose. And the fact that an estimated value was put upon assets which were then in jeopardy and were subsequently lost, does not render the balance sheet delusive and fraudulent.

"But if a dividend be declared without proper investigation of the financial position of the company, and no profit and loss account be prepared, but only an account of receipts and payments, making no allowance for risks, the burden is on the directors to show that the dividend was properly declared, and in default a director will be ordered to refund the dividend he has received. If directors pay dividends out of capital, they may be liable for the whole amount so misapplied.

"Capital may be lost in either one of two ways, which may be distinguished as loss on capital account and loss on revenue account. If a ship-owning company's capital be represented by ten ships with which it trades, and one is totally lost and is uninsured, such a loss would be what is here called a loss on capital account. But if the same company begins the year with the ten ships, value say £100,000, and ends the year with the same ten ships, and the result of the trading, after allowing for depreciation of the ships, is a loss of £1,000, this would be what is here called a loss on revenue account.

"Where a loss on revenue account has been sustained, there is of course no profit until that loss has been made good either by set off of previous undivided profits still in hand, or by profits subsequently earned. But until *Lee* v. *Neuchatel Asphalte Co.*, 1889, 41 Ch. Div. 1, the question was open whether a company under the Companies Acts, which has lost part of its capital by loss on capital account, can continue to pay dividends until the lost capital has been made good.

"*Lee* v. *Neuchatel Asphalte Co.* has now shown the true principle to be that capital account and revenue account are distinct accounts, and that for the purpose of determining profits you must disregard accretions to or diminutions of capital. Suppose I buy £100 consols at 97, and at the expiration of a year they have fallen to 94, is my income £3 or nothing? If nothing, then if at the expiration of the year they had risen to par, my income would by parity of reasoning have been £6, not £3. Is the result affected by the question whether at the end of the year I am or am not about to sell my consols? Suppose a tramway company lays its line when materials and labour are both dear, both subsequently fall, and the same line could be laid for half the money, and as an asset (independent of deterioration from wear) would cost for construction only half what it did cost. Is the company to make this good to capital before it pays further dividend? If so, then if the cost of materials and labour had risen after the line was laid, might not the company have divided as dividend this accretion to capital? Upon such a principle dividends would vary enormously, and sometimes inversely to the actual profit of the concern.

"If revenue accounts be treated as a distinct account, these difficulties disappear, and subject to the difficulty, which must be encountered, of discriminating between revenue charges and capital charges, a safe and intelligible principle is arrived at. The creditors of the company are entitled to have the capital account fairly and properly kept; but they are not entitled to have losses of capital or capital account made good out of revenue. It is no doubt true, that before arriving at revenue at all, there are payments which must be made good to capital, on account of capital wasted or lost in earning the revenue. For instance, in the common case of leaseholds, which are a wasting property, the whole of the rental will not properly be income; in the case of colliery properties, the difference between the price at which the coal is sold, and the cost of working and raising it, will not all be income, for there must also be a deduction made in favour of capital representing the diminished value of the mine by reason of its containing so many less tons of coal; in the case of a tramway company you will not have arrived at net profit before you have set apart a sum to make good deterioration. But when all proper allowances have thus been made in favour of capital, the balance is revenue applicable for payment of dividend."

In *Lee* v. *Neuchatel Asphalte Co.*, it was decided that where the shares of a limited company have, under a duly registered contract, been allotted as fully paid-up shares in consideration of assets handed over to the company, it is under no obligation to keep the value of its assets up to the nominal amount of its capital, and the payment of a dividend is not to be considered a return of capital, merely on the ground that no provision has been made for keeping the assets up to the nominal amount of capital. There is nothing in the Companies Acts to prohibit a company formed to work a wasting property, such as a mine or a patent, from distributing, as dividend, the excess of the proceeds of working above the expenses of working, nor to impose on the company any obligation to set apart a sinking fund to meet the depreciation in the value of the wasting property. If the expenses of working exceed the receipts, the accounts must not be made out so as to show an apparent profit, and so enable the company to pay a dividend out of capital, but the division

of the profits without providing a sinking fund is not such a payment of dividends out of capital as is forbidden by law.

Another method of ascertaining profit was propounded in the case of *Verner* v. *General and Commercial Investment Trust*, 1894, 2 Ch. 239. The defendant was a limited company, whose object was to invest their capital in stocks, funds, shares, and securities of various descriptions, and the receipts of the company from the income of these investments were made applicable to paying a dividend. The market price of some of the investments of the company fell, and others of them proved worthless, so that the value of the company's assets was materially diminished; but the income received from the investments for the year considerably exceeded the expenses of the year. One of the trustees of the company brought an action on behalf of himself and all the stockholders in the company against the company and the other trustees to restrain the company from declaring a dividend, on the ground that until the loss of capital was made up a payment of dividend would be a payment out of capital. It was held, by the Court of Appeal, that it was within the power of the company to declare a dividend; that there is no law to prevent a company from sinking its capital in the purchase of a property producing income and dividing that income without making provision for keeping up the value of the capital; and that fixed capital may be sunk and lost, and yet the excess of current receipts over current expenses may be applied in payment of a dividend, though where the income of a company arises from the turning over of circulating capital no dividend can be paid unless the circulating capital is kept up to its original value, as otherwise there would be a payment of dividend out of capital.

In that case Lord Lindley, in the course of his judgment, said: "It has been already said that dividends presuppose profits of some sort, and this is unquestionably true. But the word 'profits' is by no means free from ambiguity. The law is much more accurately expressed by saying that dividends cannot be paid out of capital, than by saying that they can only be paid out of profits. The last expression leads to the inference that the capital must always be kept up and be represented by assets which, if sold, would produce it; and this is more than is required by law. Perhaps the shortest way of expressing the distinction which I am endeavouring to explain is to say that fixed capital may be sunk and lost, and yet that the excess of current receipts over current payments may be divided, but that floating or circulating capital must be kept up, as otherwise it will enter into and form part of such excess, in which case to divide such excess without deducting the capital which forms part of it will be contrary to law."

PROFIT AND LOSS ACCOUNT. (Fr. *Compte de profits et pertes*, Ger. *Gewinn- und Verlustrechnung*, Sp. *Cuenta de ganancias y pérdidas*, It. *Conto dei profitti e perdite.*)

(See *Account, Profit and Loss.*)

PROHIBITED GOODS. (Fr. *Marchandises interdites*, Ger. *verbotene Waren*, Sp. *Géneros prohibidos*, It. *Merci proibite.*)

These are commodities which are by law forbidden to be exported from or imported into a country.

PROHIBITIONS AND RESTRICTIONS. (Fr. *Prohibitions et restrictions*, Ger. *Verbote und Beschrankungen*, Sp. *Prohibiciones y restricciones*, It. *Proibizioni e restrizioni.*)

This is a term of the Custom House for those goods which are prohibited from being imported or shipped, and those articles which are prohibited except under certain conditions.

PROMISSORY NOTE. (Fr. *Promesse*, Ger. *Handschein*, Sp. *Pagaré, vale*, It. *Paghero, vaglia cambiario.*)

A promissory note is an unconditional promise in writing made by one person to another signed by the maker, engaging to pay, on demand or at a fixed or determinable future time, a sum certain in money to, or to the order of, a specified person or to bearer.

It would seem that a promissory note payable to bearer on demand is void in England, if for a sum less than £5. The stamp is always an *ad valorem* one, the duty payable being the same as for a bill of exchange.

A promissory note is usually drawn thus:—

"*London, January* 1, 1920.

£75.

Three months after date I promise to pay to Mr. John Roberts or order the sum of seventy-five pounds, for value received.

"*James Smith.*"

The note may be drawn for any time, or on demand, and may be made payable to bearer, instead of to order, as

a bill of exchange or a cheque. It is inchoate and incomplete until delivery has been made to the payee or to the bearer.

An instrument which is invalid as a promissory note may be perfectly good as an agreement.

A promissory note may be made by two or more makers, and they may be liable thereon jointly, or jointly and severally according to its tenor.

A promissory note is transferable like a bill of exchange, and may be indorsed in the same manner. It is a negotiable instrument unless it is made payable to a certain person only. The maker is the person primarily liable upon it, and in default each of the indorsers can be sued. But no indorser is liable until the note has been presented to the maker for payment, and payment has been refused.

The maker of a promissory note is precluded from denying to a holder in due course the existence of the payee and his then capacity to indorse the same.

Presentment for acceptance, acceptance, acceptance *suprà* protest and bills in a set, are matters inapplicable to notes. A foreign note need not be protested on dishonour.

PROMOTER. (Fr. *Promoteur, lanceur,* Ger. *Gründer,* Sp. *Fundador, promovedor,* It. *Fondatore, promotore.*)

The promoter of a company is the person, or one of the persons, who does the necessary preliminary work to form or float it. "The typical promoter starts the scheme of forming the company, negotiates with the vendors (if any), gets together the board of directors, retains brokers, bankers, and solicitors for the company, has the memorandum and articles of association prepared, provides the registration fees, drafts the prospectus, pays for the expense of issuing it, etc.; in a word, undertakes to form a company with reference to a given project, and to set it going, and to take the necessary steps to accomplish that purpose."

Whether a person is or is not a promoter of a company is a question of fact, depending upon the circumstances of each case. Very little work done in connection with the formation of a company may render a person liable constructively. But solicitors and others who act merely as agents of promoters in their professional capacities are not liable as promoters.

A promoter stands in a fiduciary relationship towards the company which he promotes. As a necessary consequence it follows:—

(1) He must not make, either directly or indirectly, any profit at the expense of the company which is being promoted, unless the company itself has full knowledge of the facts and gives its consent. If any secret profit is made in violation of this rule, the company may, on discovery, compel the promoter to account for and surrender the same.

(2) He must, when once he has begun to act in the promotion of the company, give to the company the benefit of any negotiations or contracts into which he enters in respect of the company. For example, if he contracts to purchase property, he cannot rightfully sell to the company at a higher price than he gave. If he attempts to do so the company may, on discovering its rights, rescind the contract or compel the promoter to surrender his profits. In one case where the promoters had agreed with contractors for the extension of works at a fixed price, it was part of the agreement that the contractors should bear the expenses of obtaining a special Act for the incorporation of the company. On the following day, by a second agreement which was not communicated to the directors of the company, two of the promoters agreed to relieve the contractors of the expense of procuring the special Act for £17,000. It was held that the company were entitled to the benefit of the second agreement.

(3) He must not make an unfair or unreasonable use of his position, and must take care to avoid anything which has the appearance of undue influence or fraud.

(4) He should take care to provide the company with an independent executive, although the promoters themselves, if there are several, or their nominees, may constitute the board of directors, if all material facts are disclosed.

A company is not generally liable for the acts and engagements of its promoters before its incorporation. But if the company has acquired property or rights by means of contracts entered into by its promoters, it will be equitably bound by the same. It is the general practice, when preliminary agreements are made, for the vendors of any property to contract with a trustee for the company, and to specify the terms on which the purchase is made,

As soon as the company is registered a new agreement is indorsed on the old one, the former incorporating the provisions of the latter by reference.

The remuneration of a promoter varies considerably. Everything will depend upon the amount of work which he has done in connection with the company. The remuneration must be stated in the prospectus.

A promoter may render himself liable for losses which happen to shareholders and others, whenever he has taken part in the issue of a prospectus, and such prospectus either omits to give the information required by statute, or contains untrue statements.

PROMOTION MONEY. (Fr. *Frais de fondation, frais d'établissement, cout de premier établissement*, Ger. *Anlagekosten, Gründungskosten*, Sp. *Gastos de primer establecimiento, gastos de fundación*, It. *Spese d'impianto, spese di fondazione.*)

This is the name given to money paid to the first board of directors or to the promoters of a limited liability company out of the proposed capital to be subscribed by the shareholders for their efforts in floating the concern. All particulars as to promotion money must be set out in the prospectus.

PROMPT. (Fr. *Terme*, Ger. *Ziel*, Sp. *Tiempo de pago*, It. *Termine, respiro, scadenza.*)

This is an agreement entered into between a shipper or importer and a merchant, by which the former engages to sell specified goods at a fixed price, the goods to be taken and paid for at a named date. The time for payment varies in different trades, and the written agreement is accordingly called a three, four, or six months' prompt as the case may be. If the goods are to be delivered before the date agreed upon, payment must be made for them at the time of delivery.

PROOF IN BANKRUPTCY. (Fr. *Preuve de banqueroute*, Ger. *beglaubigte Forderung*, Sp. *Prueba de quiebra* It. *Prova del fallimento o bancarotta.*)

Evidence or testimony of the existence of a debt or liability, which every creditor must give in bankruptcy or in the winding-up of joint-stock companies.

The following are the rules laid down by the Bankruptcy Act, 1914, in respect of the proof of debts.

1. *In Ordinary Cases.*—(1) Every creditor shall prove his debt as soon as may be after the making of the receiving order.

(2) A debt may be proved by delivering or sending through the post in a prepaid letter to the Official Receiver, or, if a trustee has been appointed to the trustee, an affidavit verifying the debt. The form prescribed by the Act must be used.

(3) The affidavit may be made by the creditor himself, or by some person authorised by or on behalf of the creditor. If made by a person so authorised, it must state his authority and his means of knowledge.

(4) The affidavit must contain or refer to a statement of account showing the particulars of the debt, and must specify the vouchers, if any, by which the same can be substantiated. The Official Receiver, or trustee, may at any time call for the production of the vouchers. If the proof is in respect of a bill of exchange, promissory note, or other negotiable instrument or security on which the debtor is liable, such bill of exchange, note, instrument, or security must, subject to any special order of the court made to the contrary, be produced before the proof can be admitted, either for voting or for dividend.

(5) The affidavit must state whether the creditor is or is not a secured creditor.

(6) The creditor must bear the cost of proving his debt, unless the court otherwise specially orders.

(7) Every creditor who has lodged a proof is entitled to see and examine the proofs of other creditors before the first meeting, and at all reasonable times. If a proof is intended to be used at the first meeting, it must be lodged with the Official Receiver not later than the time specified in the notice of meeting, which time must not be earlier than noon the day but one before, nor later than noon the day before the meeting.

(8) A creditor proving his debt must deduct therefrom all trade discounts, but he cannot be compelled to deduct any discount, not exceeding five per cent. on the net amount of the claim, which he may have agreed to allow for payment in cash.

2. *Proof by Secured Creditors.*—(9) If a secured creditor realises his security he may prove for the balance due to him, after deducting the net amount realised. The proof must be limited to the principal and interest of the debt due at the date of the receiving order, after deducting the amount realised from the security. The proceeds cannot be applied to the payment of interest which has accrued subsequent to the date of the receiving order.

(10) If a secured creditor surrenders his security to the Official Receiver or the trustee for the general benefit of the creditors, he may prove for his whole debt.

(11) If a secured creditor does not either realise or surrender his security, he must, before ranking for dividend, state in his proof the particulars of his security, the date when it was given, and the value at which he assesses it, and shall be entitled to receive a dividend only in respect of the balance due to him after deducting the value so assessed.

(12) (*a*) Where a security is so valued the trustee may at any time redeem it on payment to the creditor of the assessed value.

(*b*) If the trustee is dissatisfied with the value at which a security is assessed, he may require that the property comprised in any security so valued be offered for sale at such times and on such terms and conditions as may be agreed on between the creditor and the trustee, or as, in default of such agreement, the court may direct. If the sale be by public auction the creditor, or the trustee on behalf of the estate, may bid or purchase.

(*c*) Provided that the creditor may at any time, by notice in writing, require the trustee to elect whether he will or will not exercise his power of redeeming the security or requiring it to be realised, and if the trustee does not, within six months after receiving the notice, signify in writing to the creditor his election to exercise the power, he shall not be entitled to exercise it; and the equity of redemption, or any other interest in the property comprised in the security which is vested in the trustee shall vest in the creditor, and the amount of his debt shall be reduced by the amount at which the security has been valued.

(13) Where a creditor has so valued his security, he may at any time amend the valuation and proof on showing to the satisfaction of the trustee, or the court, that the valuation and proof were made *bonâ fide* on a mistaken estimate, or that the security has diminished or increased in value since its previous valuation; but every such amendment shall be made at the cost of the creditor, and upon such terms as the court shall order, unless the trustee shall allow the amendment without application to the court. (The court means the registrar.)

(14) Where a valuation has been amended in accordance with the foregoing rule, the creditor shall forthwith repay any surplus dividend which he may have received in excess of that to which he would have been entitled on the amended valuation, or, as the case may be, shall be entitled to be paid out of any money for the time being available for dividend any dividend or share of dividend which he may have failed to receive by reason of the inaccuracy of the original valuation, before that money is made applicable to the payment of any future dividend, but he shall not be entitled to disturb the distribution of any dividend declared before the date of the amendment.

(15) If a creditor after having valued his security subsequently realises it, or if it is realised under the provisions of rule 12, the net amount realised shall be substituted for the amount of any valuation previously made by the creditor, and shall be treated in all respects as an amended valuation made by the creditor.

(16) If a secured creditor does not comply with the foregoing rules, he shall be excluded from all share in any dividend.

(17) Subject to the provisions of rule 12, a creditor shall in no case receive more than 20*s*. in the £, and interest as provided by the Act.

3. *Proof in Respect of Distinct Contracts.*—(18) If a debtor was at the date of the receiving order liable in respect of distinct contracts as a member of two or more distinct firms, or as a sole contractor, and also as member of a firm, the circumstance that the firms are in whole or in part composed of the same individuals, or that the sole contractor is also one of the joint contractors, shall not prevent proof in respect of the contractors against the properties respectively liable on the contracts.

4. *Periodical Payments.*—(19) When any rent or other payment falls due at stated periods, and the receiving order is made at any time other than one of those periods, the person entitled to the rent or payment may prove for a proportionate part thereof up to the date of the order as if the rent or payment grew due from day to day.

5. *Interest.*—(20) (*a*) On any debt or sum certain, payable at a certain time or otherwise, whereon interest is not reserved or agreed for, and which is overdue at the date of the receiving order and provable in bankruptcy, the

creditor may prove for interest at a rate not exceeding four per cent. per annum to the date of the order from the time when the debt or sum was payable, if the debt or sum is payable by virtue of a written instrument at a certain time, and if payable otherwise, then from the time when a demand in writing has been made giving the debtor notice that interest will be claimed from the date of the demand until the time of payment.

(*b*) Where a debt has been proved upon a debtor's estate under the principal Act, and such debt includes interest, or any pecuniary consideration in lieu of interest, such interest or consideration shall, for the purpose of dividend, be calculated at a rate not exceeding five per cent. per annum, without prejudice to the right of a creditor to receive out of the estate any higher rate of interest to which he may be entitled after all the debts proved in the estate have been paid in full.

6. *Debt Payable at a Future Time.*—(21) A creditor may prove for a debt not payable when the debtor committed an act of bankruptcy as if it were payable presently, and may receive dividends equally with the other creditors, deducting only thereout a rebate of interest at the rate of five per cent. per annum computed from the declaration of a dividend to the time when the debt would have become payable, according to the terms on which it was contracted.

7. *Admission or Rejection of Proofs.*—(22) The trustee must examine every proof and the grounds of the debt, and in writing admit or reject it, in whole or in part, or require further evidence in support of it. If he rejects a proof he must state in writing to the creditor the grounds of the rejection.

Subject to the power of the court to extend the time, the Official Receiver, as trustee, not later than seven days from the latest date specified in the notice of his intention to declare a dividend, as the time within which such proofs must be lodged, shall, in writing, either admit or reject, wholly or in part, every proof lodged with him, or require further evidence in support thereof. The trustee, other than the Official Receiver, has a period of twenty-eight days instead of seven.

(23) If the trustee thinks that a proof has been improperly admitted, the court may, on the application of the trustee, after notice to the creditor who made the proof, expunge the proof or reduce its amount.

(24) If a creditor is dissatisfied with the decision of the trustee in respect of a proof, the court may, on the application of the creditor, reverse or vary the decision.

(25) The court may also expunge or reduce a proof upon the application of a creditor if the trustee declines to interfere in the matter, or in the case of a composition or scheme, upon the application of the debtor.

(26) For the purpose of any of his duties in relation to proofs, the trustee may administer oaths and take affidavits.

(27) The Official Receiver, before the appointment of a trustee, shall have all the powers of a trustee with respect to the examination, admission, and rejection of proofs, and any act or decision of his in relation thereto shall be subject to the like appeal.

Every proof of debt for a sum which exceeds £2 requires a shilling stamp, unless the proof is for wages of workmen, when the stamp duty is remitted. In any case in which it appears from the debtor's statement of affairs that there are numerous claims for wages by workmen and others employed by the debtor, it is sufficient for one proof for all such claims to be made either by the debtor, his foreman, or some other person on behalf of all such creditors. The proof must be made in the prescribed form, and a schedule must be annexed thereto, setting forth the names of the workmen and others, and the amounts severally due to them. Any proof made in this manner has the same effect as if separate proofs had been made by each of the workmen and others, and then a stamp is required as in the case of an ordinary proof.

There are certain duties to be performed by the Official Receiver or trustee as to proofs which are sent in and admitted.

(1) Where a trustee is appointed in any matter, all proofs of debts that have been received by the Official Receiver shall be handed over to the trustee, but the Official Receiver shall first make a list of such proofs, and take a receipt thereon from the trustee for such proofs.

(2) The Official Receiver, where no other trustee is appointed, shall forthwith after the final payment has been made in a composition or scheme of arrangement duly approved by the court, and in a bankruptcy after a final dividend has been declared, send to the

Registrar all proofs tendered in the proceeding, with a list thereof certified to be correct, distinguishing in such list the proofs which were wholly or partly admitted, and the proofs which were wholly or partly rejected.

(3) Every trustee in bankruptcy, other than the Official Receiver, shall, on the first day of every month, send to the Registrar a certified list of all proofs, if any, received by him from the Official Receiver, or otherwise tendered during the month next preceding, distinguishing in such lists the proofs admitted, those rejected, and such as stand over for further consideration: and, in the case of proofs admitted or rejected, he shall transmit the proofs themselves for the purpose of being filed.

(4) Upon the declaration of a dividend the trustee shall forthwith transmit to the Board of Trade a list of proofs filed with the proceedings. The list is to be made according to a specified form, and if the proceedings are in a county court the list shall, upon payment of the prescribed fee, be examined by the Registrar, with the proofs tendered for filing, and if found correct shall be certified by the Registrar. If the proceedings are in the High Court the trustee shall, if so required by the Board of Trade, transmit to the Board of Trade office copies of all lists of proofs filed by him up to the date of declaration of the dividend.

PROOF OF DEBT. (See *Proof in Bankruptcy.*)

PROPERTY ACCOUNTS. (Fr. *Comptes de marchandises*, Ger. *Waren- und Immobilienkontos*, Sp. *Cuentas de mercancias*, It. *Conti di magazzino e mobili, conti della proprieta.*)

This is a term used in book-keeping for the names of the accounts which deal with different kinds of goods, such as tea, sugar, coffee, bills, etc.

PROPRIETARY COMPANY. (Fr. *Compagnie propriétaire*, Ger. *Privatgesellschaft*, Sp. *Compañia propietaria*, It. *Compagnia proprietaria.*)

This is usually a parent company which owns a quantity of land suitable for mining or other purposes, which is let out or sold in various portions to other public companies. Usually there are no bondholders or preference shares, but all the members have a joint-ownership in the land, and the profits, or part of them, are equally divided.

PROSPECTUS. (Fr. *Prospectus*, Ger. *Prospektus*, Sp. *Prospecto*, It. *Prospetto, programma.*)

The prospectus is the document put forward by the persons interested in a company to induce other persons to take shares or otherwise assist the company with money. By sect. 285 of the Companies (Consolidation) Act, 1908, re-enacting sect. 30 of the Companies Act, 1900, the expression "prospectus" means any prospectus, notice, circular, advertisement, or other invitation, offering to the public for subscription or purchase any shares or debentures of a company.

The prospectus is generally issued at the time of or immediately after the registration of the company. It must be dated, and the date is deemed the date of its publication. A copy must be signed by every person named in it as a director or proposed director (or his authorised agent) and filed with the Registrar at or before the date of publication.

As the persons who issue the prospectus are liable in damages to any one damnified by any false representation contained therein, the greatest care is necessary in its preparation. The obligation of those responsible for its issue and publication was thus laid down in what has been called "the golden rule as to framing prospectuses," by Vice-Chancellor Kindersley in 1861. "Those who issue a prospectus, holding out to the public the great advantages which will accrue to persons who will take shares in a proposed undertaking, and inviting them to take shares on the faith of the representations therein contained, are bound to state everything with strict and scrupulous accuracy, and not only to abstain from stating as a fact that which is not so, but to omit no one fact within their knowledge, the existence of which might in any degree affect the nature or extent or quality of the privileges and advantages which the prospectus holds out as inducements to take shares."

The legal obligations as to prospectuses issued by a public company have been laid down as follows:—

(1) Every prospectus issued by or on behalf of a company, or by or on behalf of any person who is or has been engaged or interested in the formation of the company, must state—

(*a*) the contents of the memorandum, with the names, descriptions, and addresses of the signatories, and the number of shares subscribed for by them respectively; and the number of founders' or management or deferred shares (if

any), and the nature and extent of the interest of the holders in the property and profits of the company; and

(*b*) the number of shares (if any) fixed by the articles as the qualification of a director, and any provision in the articles as to the remuneration of the directors; and

(*c*) the names, descriptions, and addresses of the directors or proposed directors; and

(*d*) the minimum subscription on which the directors may proceed to allotment, and the amount payable on application and allotment on each share; and in the case of a second or subsequent offer of shares, the amount offered for subscription on each previous allotment made within the two preceding years, and the amount actually allotted, and the amount, if any, paid on the shares so allotted; and

(*e*) the number and amount of shares and debentures which within the two preceding years have been issued, or agreed to be issued, as fully or partly paid up otherwise than in cash, and in the latter case the extent to which they are so paid up, and in either case the consideration for which those shares or debentures have been issued or are proposed or intended to be issued; and

(*f*) the names and addresses of the vendors of any property purchased or acquired by the company, or proposed so to be purchased or acquired, which is to be paid for wholly or partly out of the proceeds of the issue offered for subscription by the prospectus, or the purchase or acquisition of which has not been completed at the date of issue of the prospectus, and the amount payable in cash, shares, or debentures, to the vendor, and where there is more than one separate vendor, or the company is a sub-purchaser, the amount so payable to each vendor: Provided that where the vendors or any of them are a firm the members of the firm shall not be treated as separate vendors; and

(*g*) the amount (if any) paid or payable as purchase money in cash, shares, or debentures, for any such property as aforesaid, specifying the amount (if any) payable for goodwill; and

(*h*) the amount (if any) paid within the two preceding years, or payable, as commission for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in, or debentures of, the company, or the rate of any such commission: Provided that it shall not be necessary to state the commission payable to sub-underwriters; and

(*i*) the amount or estimated amount of preliminary expenses; and

(*j*) the amount paid within the two preceding years or intended to be paid to any promoter, and the consideration for any such payment; and

(*k*) the dates of and parties to every material contract, and a reasonable time and place at which any material contract or a copy thereof may be inspected: Provided that this requirement shall not apply to a contract entered into in the ordinary course of the business carried on or intended to be carried on by the company, or to any contract entered into more than two years before the date of issue of the prospectus; and

(*l*) the names and addresses of the auditors (if any) of the company; and

(*m*) full particulars of the nature and extent of the interest (if any) of every director in the promotion of, or in the property proposed to be acquired by, the company, or where the interest of such a director consists in being a partner in a firm, the nature and extent of the interest of the firm, with a statement of all sums paid or agreed to be paid to him or to the firm in cash or shares or otherwise by any person either to induce him to become, or to qualify him as, a director, or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the company; and

(*n*) where the company is a company having shares of more than one class, the right of voting at meetings of the company conferred by the several classes of shares respectively.

(2) For the purposes of this section every person shall be deemed to be a vendor who has entered into any contract, absolute or conditional, for the sale or purchase, or for any option of purchase, of any property to be acquired by the company, in any case where—

(*a*) the purchase-money is not fully paid at the date of issue of the prospectus; or

(*b*) the purchase-money is to be paid or satisfied wholly or in part out of the proceeds of the issue offered for subscription by the prospectus; or

(*c*) the contract depends for its validity or fulfilment on the result of that issue.

(3) Where any of the property to be acquired by the company is to be taken on lease, this section shall apply as if the expression "vendor" included the

lessor, and the expression "purchase money" included the consideration for the lease, and the expression "sub-purchaser" included a sub-lessee.

(4) Any condition requiring or binding any applicant for shares or debentures to waive compliance with any requirement of this section, or purporting to affect him with notice of any contract, document, or matter not specifically referred to in the prospectus, shall be void.

(5) Where any such prospectus as is mentioned in this section is published as a newspaper advertisement, it shall not be necessary in the advertisement to specify the contents of the memorandum or the signatories thereto, and the number of shares subscribed for by them.

(6) In the event of non-compliance with any of the requirements of this section, a director or other person responsible for the prospectus, shall not incur any liability by reason of the non-compliance, if he proves that—

(*a*) as regards any matter not disclosed, he was not cognisant thereof; or

(*b*) the non-compliance arose from an honest mistake of fact on his part:

Provided that in the event of non-compliance with the requirements contained in paragraph (*m*) of sub-section (1) of this section no director or other person shall incur any liability in respect of the non-compliance unless it be proved that he had knowledge of the matters not disclosed.

(7) This section shall not apply to a circular or notice inviting existing members or debenture-holders of a company to subscribe either for shares or for debentures of the company, whether with or without the right to renounce in favour of other persons, but subject as aforesaid, this section shall apply to any prospectus whether issued on or with reference to the formation of a company or subsequently.

(8) The requirements of this section as to the memorandum and the qualification, remuneration, and interest of directors, the names, descriptions, and addresses of directors or proposed directors, and the amount or estimated amount of preliminary expenses, shall not apply in the case of a prospectus issued more than one year after the date at which the company is entitled to commence business.

It is not known what will be the exact result of a failure to comply with all the provisions of the above section, as no special provision has been made for such failure. It awaits judicial decision. Possibly it will be held that no valid contract to take shares can arise, and that a person applying for shares on the faith of such a prospectus will not, upon allotment, become a member or a contributory of the company.

Where a person has been induced to take shares in a company on the faith of any false representations contained in a prospectus of the company, there is a twofold remedy open to him: (1) against the company; (2) against the persons who are responsible for the issue and publication of the prospectus.

The remedy against the company is a rescission of the contract to take shares. This can only be obtained if the applicant proves that the prospectus misrepresented or failed to disclose some material fact, and that such misrepresentation or concealment led to the formation of the contract. The application must be made very promptly or the right to relief will be forfeited; and if the company is being wound up no application will be heard at all.

The remedy against the persons who are responsible for and have issued the prospectus is an action for damages. At common law the action was for deceit. But after the decision in *Derry* v. *Peek*, 14 A.C. 337, the Directors' Liability Act, 1890, was passed, which shifted the burden of proof on to the directors to show that they have acted honestly in making the statements contained in the prospectus, whereas it was formerly upon the victimised shareholders to prove that the statements were made either dishonestly or recklessly, the directors, etc., not caring whether they were true or not. This Act was amended by the Companies Act, 1907, and the whole of the provisions of the two Acts are now contained in the Companies (Consolidation) Act, 1908, sect. 84. (See *Directors*.)

The same rule applies to prospectuses offering debentures, debenture stock, or other securities for subscription as to those which offer the shares of a company to the public.

PROTECTION. (Fr. *Protection*, Ger. *Schutzzoll*, Sp. *Protección*, It. *Protezionismo, protezione*.)

Protection is the name applied to the attempt to foster the native industries of any particular country by prohibiting the importation of similar goods, or preventing their free importation by the imposition of high duties. Protection is the reverse of free trade.

PROTECTIONISTS. (Fr. *Protectionnistes*, Ger. *Schutzzöllner*, Sp. *Proteccionistas*, It. *Protezionisti.*)

These are the advocates of the doctrine of protection and opponents of free trade.

PROTEST. (Fr. *Protêt*, Ger. *Protest*, Sp. *Protesto*, It. *Protesto.*)

This is the attestation by a notary public of an unpaid or an unaccepted foreign bill of exchange. (See *Foreign Bill of Exchange.*)

Unless a dishonoured foreign bill is protested the drawer and the indorsers are discharged. The protest should be made on the day of dishonour; but where the acceptor of a bill becomes bankrupt or insolvent, or suspends payment before it matures, the holder may cause the bill to be protested for better security against the drawer and indorsers.

A bill must be protested at the place where it is dishonoured; but when a bill is presented through the post office, and returned by post dishonoured, it may be protested at the place to which it is returned and on the day of its return if received during business hours, and if not received during business hours, then not later than the next business day. And again, when a bill drawn payable at the place of business or residence of some person other than the drawee has been dishonoured by non-acceptance, it must be protested for non-payment at the place where it is expressed to be payable, and no further presentment for payment to, or demand on, the drawer is necessary.

A protest usually contains:—

(1) An exact copy of the bill.

(2) A statement of the parties for whom and against whom the bill is protested.

(3) The place and date of the protest.

(4) A statement that acceptance or payment has been demanded by the notary, the answer given (if any), or a notification of the fact that no answer was given, or that the drawee or acceptor could not be found.

(5) A reservation of rights against all the parties liable.

(6) The subscription and seal of the notary.

Although it is usual for the protest to be made by a notary public, it may be made by any respectable inhabitant in the presence of two witnesses. The following form is given in the first schedule of the Bills of Exchange Act, 1882, for use when the services of a notary cannot be obtained.

"*Know all men that I, A.B. (householder), of   in the county of   , in the United Kingdom, at the request of C.D., there being no notary public available, did on the   day of   , at   demand payment* (or *acceptance*) *of the bill of exchange hereunder written, from E.F., to which demand he made answer* (state answer, if any) *wherefore I now, in the presence of G.H. and J.K. do protest the said bill of exchange.*

(Signed) A.B.

G.H.
J.K. } Witnesses."

Where a bill is lost or destroyed, or is wrongly detained from the person entitled to hold it, protest may be made on a copy or written particulars thereof.

Protest is dispensed with by any circumstance which would dispense with notice of dishonour. (See *Dishonour.*) Delay in protesting is excused when the delay is caused by circumstances beyond the control of the holder, and is not imputable to his default, misconduct, or negligence. When the cause of delay ceases to operate the bill must be protested with reasonable diligence.

The protest must be stamped. Where the duty on a bill does not exceed one shilling, the stamp required is of the same amount as that of the bill. In any other case the stamp upon the protest is a shilling one.

PROTESTER. (Fr. *Créancier qui fait faire un protêt*, Ger. *Protesterheber*, Sp. *Protestador*, It. *Creditore che fa fare il protesto.*)

This is the person who protests a bill of exchange.

PROVISO. (Fr. *Condition*, Ger. *Vorbehalt*, Sp. *Condición, clausula*, It. *Condizione, clausola.*)

This is a provision or condition contained in a deed or other document, and upon the happening of which the performance of the terms of an agreement are dependent.

PROXIMO. (Fr. *Du mois prochain*, Ger. *nächster Monat*, Sp. *Del mes que viene*, It. *Prossimo mese.*)

This word is used to denote the next approaching month, or if a particular month is named, the next month of that name.

PROXY. This may mean:—

1. (Fr. *Fondé de pouvoir, procureur*, Ger. *Bevollmächtigter*, Sp. *Mandatario*, It. *Rappresentante, procuratore.*)

A person who acts for another.

2. (Fr. *Procuration*, Ger. *Vollmacht*, Sp. *Procuración*, It. *Procura.*)

The deed or document by which a person is deputed to act.

The powers and authority of a proxy will depend upon circumstances. It does not appear that there is a right to vote by proxy at common law, so the power must be specially created.

The stamp duty upon a proxy is one penny, but there is an exemption when the proxy relates solely to bankruptcy or the winding-up of companies.

A general proxy requires a 10s. stamp.

PUBLIC POLICY. (See *Contract.*)

PUBLIC COMPANIES. (Fr. *Sociétés en commandite*, Ger. *Aktiengesellschaften*, Sp. *Sociedades publicas*, It. *Societa in accomandita.*)

These are the joint-stock or limited liability companies which apply to the public for subscription, and which are composed of shareholders who are at liberty to sell their shares publicly without the consent of their fellow shareholders. (See *Companies.*)

PUBLIC FUNDS. (Fr. *Fonds publics*, Ger. *offentliche Fonds*, Sp. *Fondos públicos*, It. *Fondi pubblici, cedole del debito pubblico.*)

(See *Funds.*)

PUBLIC TRUSTEE. (See *Trustee.*)

PUNCHEON. (Fr. *Pièce (anglaise)*, Ger. *Stückfass*, Sp. *Medida inglesa*, It. *Botte, fusto, barile.*)

A puncheon is a liquid measure of eighty-four gallons.

PURE GOLD. (Fr. *Or pur*, Ger. *reines Gold, lauteres Gold*, Sp. *Oro de ley*, It. *Oro di lega, oro del titolo, oro di 24 carati.*)

Pure gold consists of 24 carats fine, it being the customary practice to estimate the purity of gold by dividing it into an imaginary standard of twenty-four parts, called carats.

PURSER. (Fr. *Commissaire, agent comptable*, Ger. *Zahlmeister*, Sp. *Contador, maestre de viveres*, It. *Commissario, economo del bastimento.*)

This is an officer of a ship who has charge of the payments, and who keeps the accounts of the vessel. Also the person who has the management of a cost-book mining company.

PUT. (Fr. *Droit de vendre*, Ger. *Verkaufsoption*, Sp. *Derecho de vender*, It. *Diritto di vendere.*)

This is a Stock Exchange term, shortened from put option, implying the right, in consideration of a certain premium paid, to sell at a given price and within a fixed time stocks, shares, or other commodities. The profit to be derived will depend upon the movement of the market, and the loss, if any, is limited to the amount of the premium.

The opposite of a put option is called a call option. Each is known as a single option. When an operator has the right to buy or sell according as the market price rises or falls, he is said to have a put and call, or a double, option.

PUT AND CALL. (Fr. *Double privilège*, Ger. *Stellagegeschaft*, Sp. *Derecho de comprar y vender*, It. *Diritto di vendere e comprare, doppio privilegio.*)

(See *Options.*)

PUT OF MORE. (Fr. *Droit de vendre le double*, Ger. *Nochgeschaft*, Sp. *Privilegio de doblar*, It. *Diritto di vendere il doppio.*) (See *Options.*)

PYX. (Fr. *Boîte des monnaies à essayer*, Ger. *Münzensammlung*, Sp. *Caja de monedas para ensayar*, It. *Scatola delle monete da saggiare.*)

This is a Greek word, meaning "box" or "chest." A box into which money is placed for the purpose of its being tested.

From what is known as each "journey" weight of metal, or the quantity that can be coined in one day (50 lbs. troy of gold and 60 lbs. troy of silver), one coin is selected and deposited in the pyx, or chest, which is kept in the pyx chamber at Westminster. All these coins are annually tested as to weight and fineness by a jury of the Goldsmiths' Company, who are summoned by Treasury warrant, and presided over by the King's Remembrancer. This is known as the trial of the pyx, and the object of the trial is to guarantee that there is no departure from the legal standard of the coinage.

The trial is as old as the reign of Edward III, but it was conducted at irregular intervals until 1871, when it was made annual.

Q. This letter is used in the following abbreviations:—

Qr., Quarter.

Q.v , *Quod vide* —which see.

Qy., Query.

QUALIFIED ACCEPTANCE. (Fr. *Acceptance spécifiée*, Ger. *bedingte Annahme*, Sp. *Aceptación especificada*, It. *Accettazione specificata o condizionata.*)

This is a signification by the drawee of his qualified assent to the order of the drawer of a bill of exchange.

It may be either—

(1) Conditional, making payment depend upon the fulfilment of a condition stated in the bill;

(2) Partial, for a part only of the amount named in the bill;

(3) Local, making the bill payable at a particular place, and there only.

The holder of a bill may refuse to take a qualified acceptance, and any holder other than the drawer, taking such an acceptance, must immediately give notice of the fact to prior holders; failing such notice, they are discharged from liability on the bill.

QUARANTINE. (Fr. *Quarantaine*, Ger. *Quarantane*, Sp. *Cuarentena*, It. *Quarantena.*)

This is the name given to a regulation to prevent the introduction of infectious diseases into a city or country, by obliging ships, goods or persons leaving a place affected with infectious disease to remain a certain time in a condition of isolation before entering another place.

The word is derived from the Latin, *quadraginta*, forty, because the period of isolation was originally forty days.

QUART. (Fr. *Litre*, Ger. *Quart, Kanne*, Sp. *Litro, cuarto de galón*, It. *Quarto o litri* 1·13.)

In liquid measure a quart is the fourth part of a gallon, or two pints.

QUARTER (qr.). A quarter is either –

1. (Fr. *Quart de quintal*, Ger. *Viertelzentner*, Sp. *Cuarto de quintal*, It. *Quarto di quintale inglese o chilogrammi* 12·707.)

The fourth part of a hundredweight, or 28 lbs.

2. (Fr. *Quart de boisseau*, Ger. *englischer Malter*, Sp. *Cuarto de fanega*, It. *Ettolitri* 2·90.)

A measure of eight bushels of grain.

QUARTER DAYS. (Fr. *Jours de terme*, Ger. *Quartalstage*, Sp. *Trimestrales*, It. *Giorni dei pagamenti trimestrali.*)

These are the last days of each of the quarters of the year on which payment of rent or interest becomes due.

The *English Quarter Days* are:—

(1) Lady Day, March 25; (2) Midsummer Day, June 24; (3) Michaelmas, September 29; (4) Christmas Day, December 25.

The *Scottish Quarter Days* are:—

(1) Candlemas, February 2; (2) Whitsun, May 15; (3) Lammas, August 1; (4) Martinmas, November 11.

QUARTERLY TRADE ACCOUNTS. (Fr. *Comptes trimestriels*, Ger. *vierteljährliche Abschlüsse*, Sp. *Cuentas trimestrales*, It. *Conti trimestrali commerciali.*)

These are accounts which are made up to the ends of the months of March, June, September, and December.

QUARTERN (qtn.). A quartern is either:—

1. (Fr. *Quart de pinte anglaise*, Ger. *Viertelpinte*, Sp. *Cuarterola*, It. *Quarto di pinta o litri* 0·14.)

The fourth part of a pint, or one gill.

2. (Fr. *Kilo et demi*, Ger. *Viertelmetze*, Sp. *Kilo y medio*, It. *Chilogrammi* 1 *e* ½.)

The fourth part of a peck.

QUARTO (4to). (Fr. *In-quarto*, Ger. *Quartformat*, Sp. *Cuarto*, It. *Formato in quarto, in quarto.*)

This is a sheet folded into four leaves, or a book of quarto size.

The plural of the word is *quartos*.

QUAY. (Fr. *Quai*, Ger. *Kai, Quai*, Sp. *Muelle*, It. *Molo, sbarcatoio, banchina.*)

A quay is a landing place for vessels to receive or discharge cargo.

QUAYAGE. (Fr. *Quayage*, Ger. *Kaigeld*, Sp. *Muellage*, It. *Diritti o spese di molo.*)

This is the payment made for the use of a quay.

QUID PRO QUO. (Fr. *Equivalent*, Ger. *Aquivalent*, Sp. *Equivalente*, It. *Quid pro quo, equivoco, equivalente, facilitazione scambievole.*)

This is a Latin phrase, which means a mutual concession in business between parties.

The literal meaning is "one thing for another."

QUINTAL. This means either:—

1. (Fr. *Quintal*, Ger. *Quintal*, Sp. *Quintal*, 50 *kilos*, It. *Quintale inglese, chilogrammi* 50.)

In Liverpool and the United States a weight of 100 lbs.

2. (Fr. 100 *kilogrammes*, Ger. *Quintal*, Sp. *Quintal métrico*, 100 *kilos*, It. *Quintale metrico chilogrammi* 100.)

In France a weight of 100 kilos, or about 220½ lbs. avoirdupois, or, more correctly, 220·46223 lbs.

QUIRE (qr.). (Fr. *Main*, Ger. *Buch*, Sp. *Mano*, It. *Quinterno di* 24 *fogli di carta.*)

A quire consists of twenty-four sheets of paper.

QUIT RENT. (Fr. *Redevance*, Ger. *Erbzins*, Sp. *Renta reservada*, It. *Censo, livello.*)

This is the rent paid in a manor by which the tenant is freed from all other services.

The term is derived from the Latin, *quietus reditus*.

QUITTANCE. (Fr. *Acquittement, quittance*, Ger. *Quittung*, Sp. *Recibo*, It. *Quietanza, ricevuta.*)

A quittance is a discharge or release from a debt or other obligation.

QUORUM. (Fr. *Quorum, quantum,* Ger. *beschlussfähige Zahl,* Sp. *Junta de Jueces,* It. *Numero legale in una adunanza.*)

This means the number of members of an administrative body who must be present to transact the business of the body.

Originally *quorum* was the first word of a commission issued to certain justices, *of whom* a certain number had to be present.

QUOTATION. (Fr. *Cote,* Ger. *Kurs, Notierung,* Sp. *Cotización,* It. *Quotazione, listinto o distinta dei prezzi.*)

A quotation is a statement of the price and terms upon which certain articles can be supplied.

R. This letter is used in the following abbreviations:—

R.,	Rupee.
R/D.,	Refer to Drawer (banking).
Reg.,	Registered.
Regd.,	,,
Rev. A/C.,	Revenue Account.
Rm.,	Ream.
R.M.S.,	Royal Mail Steamer.
Rs.,	Rupees.
Ry.,	Railway.

RACK RENT. (Fr. *Maximum de loyer,* Ger. *höchste Miete,* Sp. *Arriendo exorbitante,* It. *Fitto massimo.*)

This is the full annual rent of a particular property. It is, in reality, the market value of the property at the time in question.

RACKING. This word may mean:—

1. (Fr. *Soutirage,* Ger. *abziehen,* Sp. *Coupaje,* It. *Filtrare.*)

Drawing off wines or spirits from the lees or sediments.

2. (Fr. *Soutirage,* Ger. *umfüllen,* Sp. *Coupaje,* It. *Travasare, travaso.*)

Transferring wines or spirits from an unsound cask to a sound one, or from one large cask into several smaller ones. Also combining the contents of several small casks into one large one.

RAILWAY ADVICE. (Fr. *Avis de déliverance,* Ger. *Eisenbahnavis,* Sp. *Aviso del ferrocarril,* It. *Avviso della ferrovia.*)

This is a document received from a railway company stating:—

(1) That a consignment of goods has arrived at one of its stations.

(2) That it awaits orders as to disposal, and intimating that a demurrage, or charge for detaining a railway truck, will be charged if the goods are not removed within a given time.

RAILWAY CLEARING HOUSE. (Fr. *Bureau central,* Ger. *Eisenbahnabrechnungsstelle,* Sp. *Dirección de liquidaciones ferrovianas,* It. *Ufficio centrale di liquidazioni ferroviarie.*)

(See *Clearing House, Railway.*)

RATEABLE VALUE. (Fr. *Valeur imposable,* Ger. *steuerbarer Wert,* Sp. *Valor tasado,* It. *Reddito imponibile.*)

The value of property after deducting from it the probable annual average cost of repairs, insurance, and other expenses.

RATE OF EXCHANGE. (Fr. *Cours,* Ger. *Kurs,* Sp. *Tipo de cambio,* It. *Prezzo o corso del cambio.*)

The amount in the currency of one country which, on a given date, is offered for a certain sum or unit in the currency of another country. Rates of exchange vary from day to day, and are seldom at par. When the rate offered for bills on foreign countries is high the exchange is said to be favourable; when the reverse is the case the rate of exchange is said to be unfavourable.

By the Stamp Act of 1870, an instrument chargeable with duty is liable to the amount calculated upon the rate of exchange at the date of the instrument. Also the stamp duty on a bill of exchange is to be calculated on the rate of exchange on the day when the bill is payable.

RATIFICATION. (See *Agency.*)

RAW MATERIALS. (Fr. *Matière brute,* Ger. *Rohmaterial,* Sp. *Materia bruta,* It. *Materiali grezzi.*)

These are the materials employed in the production of the commodities of any trade, upon which nothing has been expended, and which are as yet unaltered. The manufactured articles of one trade may constitute the raw materials of another trade.

RE. (Fr. *Affaire,* Ger. *in Sachen,* Sp. *Causa,* It. *Concernente, al riguardo di, nell' affaire di.*)

This is the ablative case of the Latin word *res,* meaning "thing." When used alone, or in the phrase *in re,* it means "relating to."

REAL ESTATE. (Fr. *Biens immobiliers,* Ger. *Grundeigentum,* Sp. *Bienes raíces, propiedad inmueble,* It. *Beni immobili, sostanze immobili.*)

Real estate is immovable property, such as land, and so called in distinction from movable property, or personal estate. Leaseholds, although partaking of the nature of property in land, are personal estate.

REALISATION ACCOUNT. (Fr. *Compte de réalisation,* Ger. *Realisationskonto,* Sp. *Cuenta de realización,* It. *Conto di realizzazione.*)

This is the name given to a special account which is opened when a business is being wound up, or when it is being sold as a going concern, or when a partnership is being dissolved, or when a new partner is being admitted. Such an account is debited with the book value of the assets, expenses of realisation, liabilities, and entered in account books, and is credited with cash in hand and cash received from the realisation of the assets. The balance is transferred to the capital accounts of the partners in the same proportion that the profits are shared.

REAM. (Fr. *Rame*, Ger. *Ries*, Sp. *Resma*, It. *Risma.*)

This is a bundle or package of paper. A ream of writing paper consists of 20 quires, each quire containing 24 sheets. A ream of printing paper, commonly called a printer's ream, contains 21½ quires, or 516 sheets.

REBATE. (Fr. *Réfaction*, Ger. *Rabatt*, Sp. *Rebaja*, It. *Sconto ribasso.*)

This is an allowance or discount. It is frequently but improperly used in the same sense as "abate." The word is derived from the French, *rebattre*, which means "to beat back." Properly it implies a return of interest which has been previously paid.

RECEIPT. (Fr. *Reçu*, *quittance*, Ger. *Quittung*, Sp. *Recibo*, It. *Ricevuta*, *quietanza.*)

A receipt is a legal written acknowledgment of having received a sum of money. If the sum paid is £2 or more, a penny stamp must be affixed and cancelled, otherwise the receipt is of no legal effect. The stamp must be on the receipt at the date when the money is paid; but a receipt may afterwards be stamped with an impressed stamp upon the following terms:—

(1) Within fourteen days after the date of payment, on payment of a penalty of £5, in addition to the penny stamp.

(2) After fourteen days, but within a month, on payment of a penalty of £10, in addition to the penny stamp.

No receipt can be stamped after a month has elapsed from the time of the payment of the money.

The following documents are legally exempted from stamp duty:—

(1) Receipts given for money placed on deposit with a banker.

(2) Acknowledgments by a banker of the receipt of bills of exchange for the purpose of presentation for acceptance or payment.

(3) Receipts for taxes or duties, or for money paid to an officer of a public department of the state, wherein the officer derives no personal benefit.

(4) Receipts given by any officer, seaman, marine, or soldier, or his representatives, for wages, pay, or pension.

(5) Receipts given for any principal money or interest due on an exchequer bill.

(6) Receipts given for the consideration money for the purchase of any share in any of the Government or Parliamentary stocks or funds, or in the stocks and funds of the Secretary of State in Council of India, or of the governor and company of the Bank of England, or of the Bank of Ireland, or for any dividend paid on any share of the said stock or funds respectively.

(7) Receipts given upon bills or notes of the governor and company of the Bank of England or the Bank of Ireland.

(8) Receipts indorsed or otherwise written upon or contained in any instrument liable to stamp duty, and duly stamped, acknowledging the receipt of the consideration money therein expressed, or the receipt of any principal money, interest or annuity thereby secured or therein mentioned.

(9) Receipts given for any allowance by way of drawback or otherwise upon the exportation of any goods or merchandise from the United Kingdom.

(10) Receipts given for the return of any duties of customs upon certificates of over-entry.

These exemptions are contained in the Stamp Act of 1870, but certain receipts and other documents are specially exempted from duty by the Building Societies Act, 1874, the Friendly Societies Act, 1895, the Bankruptcy Act, 1914, and the Finance Act, 1895, as regards the liquidation of companies. Charitable institutions enjoy a certain kind of immunity from stamp duties in respect of receipts for donations and subscriptions, for no penalty is enforced by the Commissioners of Inland Revenue if the receipts are unstamped.

Formerly receipts written upon bills of exchange and promissory notes were exempt from the penny stamp duty. But the duty has been payable since July 1, 1895, with this proviso, that neither the name of a banker (whether accompanied by words of receipt or not) written in the ordinary course of business upon a bill of exchange or promissory note, nor the name of the payee written upon a draft or order, if payable to order, shall constitute a receipt chargeable with stamp duty.

If any person gives a receipt which is liable to stamp duty without being duly stamped, or refuses to give a duly stamped receipt, where the receipt would be legally liable to stamp duty, or, upon the payment of an amount of £2 or upwards, gives a receipt for a sum not amounting to £2, or separates or divides the amount with intent to evade the duty, he is liable to a fine of £10.

RECEIVER. (Fr. *Receveur*, Ger. *Einnehmer*, Sp. *Recibidor*, It. *Destinatario, ricevitore, consegnatario.*)

A receiver is a person appointed with the object of providing for the safety of property pending litigation which is to decide as to the rights of the litigant parties, or of property which is in danger of being dissipated or destroyed by those to whom it is by law entrusted or by persons having immediate but partial interests therein, or of property which is mortgaged or charged, or of the property of infants, or by way of equitable execution.

In all but the last mentioned case, an application may be made to the court for the appointment of a receiver immediately after the issue of the writ, and the appointment follows almost as a matter of course if it appears just or convenient. In the case of equitable execution a receiver is appointed when a creditor has obtained judgment against a debtor, and it appears that the debtor has interests in property which cannot be taken in execution, for instance, a life interest in stocks and shares held by trustees. Such interests can only be reached by the appointment of a person to receive the same and pay the money into court towards the satisfaction of the judgment.

A receiver appointed by the court must give security, usually a bond of himself and two sureties. He is generally allowed 5 per cent. by way of remuneration. He is bound to keep proper accounts, and to produce them in court at periods fixed by the order which appoints him. On the completion of his security he becomes an officer of the court, and when he has taken possession of the property of which he is the receiver, if any one disturbs him in his possession that person is guilty of a contempt of court and is liable to imprisonment. Even if a person considers that he has a title paramount to that of the receiver he must obtain the leave of the court before attempting to assert his right.

It frequently happens that it is necessary for the preservation of the subject matter of the litigation that a business should be carried on, for example, in proceedings by debenture-holders of a joint-stock company or in actions between partners. In such cases a receiver is appointed manager also, and care must be taken to select a person conversant with and experienced in the particular business. Generally the judge appoints the person nominated by the party making the application for the receiver, unless some good reason can be shown by the opposing party against his fitness.

A receiver appointed by a mortgagee or incumbrancer, and not by the court, has only the powers conferred on him by statute or agreement. By the former he has power to receive all the income of the property of which he is appointed receiver, by action, distress, or otherwise, and to give receipts for payments. He is entitled to charge 5 per cent. for his remuneration unless a lower rate is specified in his appointment. All moneys received must be employed first, in the discharge of rates, taxes, and outgoings; next in payment of his own commission and of premiums on policies and for repairs, and then in payment of the interest on the mortgage. If there is any balance it goes to the mortgagor.

RECEIVING NOTES. (Fr. *Notes de passage*, Ger. *Ladungsschein*, Sp. *Notas de entrega*, It. *Richieste di passaggio.*)

These are documents addressed by a shipper to the chief officer of a ship, requesting him to take on board certain specified goods.

RECEIVING ORDER. (Fr. *Mandat d'action*, Ger. *Verausserungsverbot*, Sp. *Nombramiento de sindico*, It. *Nomina del curatore.*)

This is an order made by the court on the petition of a debtor or of one of his creditors, at the commencement of bankruptcy proceedings. The official receiver becomes at once the receiver of the property of the debtor. As soon as the order is made, all creditors of the debtor are restrained from taking any legal proceedings against him without special leave.

The making of the receiving order does not divest the debtor of his property. It simply protects it until some arrangement has been arrived at, or until there is an adjudication of bankruptcy.

Although a receiving order is the first step to be taken in bankruptcy proceedings it does not follow as a

matter of course that the debtor will be made a bankrupt. That will depend upon the resolution of the creditors after the debtor has undergone his public examination.

RECONCILIATION STATEMENT. (Fr. *Exposé de réconciliation,* Ger. *Versöhnungsaufstellung,* Sp. *Estado de reconciliación,* It. *Esposizione di conciliazione.*)

This is a statement of account whereby the balances of two accounts which show an apparent discrepancy are brought into agreement. The most common reconciliation statement is that used to bring into agreement the cash book and bank cash book balances.

RECOURSE. (See *Sans Recours* and *Without Recourse.*)

RE-DRAFT. (Fr. *Retraite,* Ger. *Ritratte, Rücktratte,* Sp. *Giro renovado,* It. *Rivalsa.*)

This is a second draft or copy; a new bill of exchange which the holder of a protested bill draws on the drawer or indorsers for the amount of the bill with costs and charges. It is sometimes known as a cross bill.

RED LETTER DAY. (Fr. *Jour de fête, jour propice, jour de bonheur,* Ger. *Gluckstag,* Sp. *Día festivo, dia de suerte,* It. *Giorno propizio, giorno fausto.*)

This means a fortunate day; for example, when trade is exceptionally good, or when large profits are made upon stocks or shares on the Stock Exchange.

REDUCED ANNUITY. (Fr. *Rente réduite,* Ger. *reduzierte Annuitat,* Sp. *Renta reducida,* It. *Rendita ridotta.*)

This is an annuity upon which the rate of interest has been reduced from that which was originally paid.

RE-EXCHANGE. (Fr. *Rechange,* Ger. *Rückwechsel,* Sp. *Recambio,* It. *Rivalsa, regresso, ricambio.*)

In the case of a bill of exchange which has been dishonoured abroad, it is provided by the Bills of Exchange Act, 1882, that the holder may recover from the drawer or an indorser, and the drawer or an indorser who has been compelled to pay the bill may recover from any party liable to him the amount of the re-exchange with interest thereon until the time of payment. Where a bill which has been drawn or indorsed in one country is dishonoured in another, the method of calculating the re-exchange is to ascertain the sum for which a bill at sight, at the prevailing rate of exchange, drawn at the time and place of dishonour or the place where the drawer or the indorser resides, can be obtained, so as to produce at the place of discharge the amount of the dishonoured bill together with the cost of protest, the commission, the postage, and all other expenses in connection with the dishonour.

RE-EXPORTATION. (Fr. *Réexportation,* Ger. *Wiederausfuhr,* Sp. *Re-exportación,* It. *Nuova exportazione.*)

This is the act of exporting goods from a country into which they have first been imported.

REFEREE. (Fr. *Arbitre,* Ger. *Schiedsrichter,* Sp. *Árbitro,* It. *Arbitro.*)

A referee is a person to whom some matter in dispute is referred.

In arbitrations the submission is made either by the parties themselves, or it is ordered by the court. In the former case the referee or arbitrator is appointed by the agreement of the parties. In the latter the referee is known as the official referee, and he is an officer of the court. There are three official referees, and they are invested with most of the powers of a judge of the High Court. Their work is allotted to them in rotation. (See *Arbitration.*)

REFERENCE. (Fr. *Référence,* Ger. *Referenz,* Sp. *Referencia,* It. *Referenza, informazione*).

This is a person or firm who will consent to answer questions as to the commercial standing or character of the person giving their name.

REFUND. (Fr. *Rembourser,* Ger. *ersetzen, vergüten,* Sp. *Reembolsar,* It. *Rifondere, rimborsare.*)

The meaning of this word is "to repay."

REGISTER. (See *Companies.*)

REGISTER OF MEMBERS. (Fr. *Registre des membres,* Ger. *Mitgliedsregister,* Sp. *Registro de los miembros,* It. *Registro dei membri.*)

This is one of the books which must be kept by a limited liability company. It must contain the names, addresses and occupations of the members; number of shares held by each member, and the amount paid; the date any person became a member, and the date he ceases to be a member. The register must be kept at the office of the company, and must be open for at least two hours a day to the inspection of members, without fee, and to any other person on demand for a fee of not more than one shilling.

REGISTER OF MORTGAGES. (Fr. *Registre d'hypothèques,* Ger. *Hypothekregister,* Sp. *Registro de hipotecas,* It. *Registro d'ipoteche.*)

This is a register kept by a limited liability company containing particulars as to the date of issue of debentures; the amounts secured; details of the property charged, and the names of the persons or mortgagees to whom the bonds have been issued. The register must be kept at the offices of the company and must be open for inspection by members and creditors on payment of a fee not exceeding one shilling.

REGISTERED BONDS. (Fr. *Obligations nominatives*, Ger. *eingetragene Obligationen*, Sp. *Obligaciones certificadas*, It. *Obbligazioni nominative.*)

These are bonds which are registered in the holder's name in the books of the company or state issuing them, as a protection against loss or theft.

REGISTERED LETTERS. (Fr. *Lettres recommandées*, Ger. *eingeschriebene Briefe*, Sp. *Cartas certificadas*, It. *Lettere raccomandate o assicurate.*)

These are letters upon which an insurance or registration fee is paid, so that special care may be bestowed upon them whilst passing through the post, and for which compensation will be paid, according to scale, in cases of loss, damage, or theft. (See *Mail.*)

REGISTERED OFFICE. (Fr. *Bureau enregistré*, Ger. *eingetragenes Kontor*, Sp. *Escritorio registrado*, It. *Ufficio registrato.*)

By the provisions of the Companies (Consolidation) Act, 1908, which now regulates all public joint-stock companies, every company incorporated under the Act must have a registered office, and a notification of its situation must be given to the registrar of joint-stock companies.

REGISTERED STOCK. (Fr. *Actions nominatives*, Ger. *eingetragene Aktien, Namenspapiere*, Sp. *Valores certificados*, It. *Azioni nominative.*)

This is stock registered in the name of the holder, either at a bank or at the office of the company issuing the stock. It differs from stocks or bonds to bearer in having no coupon sheet attached, the dividends being paid by warrants, which are posted to the holder's address as they become due, and also in that it is not transferable, except the holder (or his representative by power of attorney) signs the register that he has assigned his right to some other person. The stock is called "registered" because the name of the holder is registered in a book as the possessor of so much stock, and he only receives a certificate declaring the amount of the stock he holds, a showing that he is entitled to receive interest upon it so long as his name appears upon the register as the rightful owner of the stock.

REI, REE, or REA. (Fr., Ger., Sp., and It. *Rei.*)

This is the lowest unit of money in Portugal and Brazil. It no longer exists as a coin, however, though other coins are valued as multiples of it; thus, there are copper coins of 5, 10, and 20 reis. The milreis is valued at 1,000 reis, and in Brazil is equal to about 2*s.* 3*d.* of English money, or, more exactly, 26·93 pence. In Portugal the milreis is equal to about 4*s.* 5½*d.*, or, more exactly, 53·284 pence.

The system of writing reis and milreis is as follows:—

1,000 reis = 1 milreis, is written 1 $000; 1,000,000 reis = 1 conto, is written 1,000 $000: 1,000,000,000 reis = 1,000 contos, is written 1,000,000 $000.

REICHSMARK. (Fr. *Mark, monnaie allemande*, Ger. *Reichsmark*, Sp. *Marco, moneda alemana*, It. *Marco.*)

This is the same as the mark of the German Empire.

RE-IMBURSE. (Fr. *Rembourser*, Ger. *remboursieren, zuruckerstatten*, Sp. *Reembolsar*, It. *Rimborsare, rifondere.*)

Literally, the word means to put back into a purse; to repay.

RE-INSURE. (Fr. *Réassurer*, Ger. *ruckversichern*, Sp. *Reasegurar*, It. *Riassicurare, controassicurare.*)

To re-insure is to insure a second time. When an insurer, or an insurance company, has taken a considerable risk as to any particular matter, it is the general custom to re-insure with other persons or other companies so that the possible loss may be widely distributed. Every insurer has an insurable interest in the risk which he has undertaken. The original liability of the insurer to the person insured is in no way affected by the re-insurance.

RE-LEASE. (Fr. *Renouveler un bail*, Ger. *wieder vermieten*, Sp. *Re-arrendar*, It. *Rinnovare un contratto di fitto, riaffittare.*)

To re-lease is to grant a new lease.

RELEASE. (Fr. *Décharger*, Ger. *befreien, entlassen*, Sp. *Librar, soltar*, It. *Liberare, francare.*)

This is the act of freeing a person from an obligation which he has undertaken.

After a breach of contract, a person who has a right of action may agree to waive such right. If he does so, however, the release must be made by deed,

otherwise it will be of no legal value, as there is no consideration for the agreement. An exception is made in the case of bills of exchange. By section 62 of the Bills of Exchange Act, 1882, it is provided: "When the holder of a bill at or after its maturity absolutely and unconditionally renounces his rights against the acceptor, the bill is discharged. The renunciation must be in writing, unless the bill is delivered up to the acceptor. The liabilities of any party to a bill may in like manner be renounced by the holder before, at, or after its maturity, but nothing in this section shall affect the rights of a holder in due course, without notice of the renunciation."

After the various matters connected with carrying out the trusts of a will have been completed, an executor is entitled to a release from the residuary legatee, relieving him from any further liability and responsibility in connection with the estate.

A release is granted by the Board of Trade to the liquidator of a joint-stock company, and to a trustee in bankruptcy, on the completion of the winding-up or the bankruptcy proceedings. The liquidator, or trustee, must make a special application for his release, and the release will not be granted until the Board of Trade is satisfied that the accounts are in order, and that the duties devolving upon the liquidator or trustee have been properly carried out. Notice of the intention to make the application must first be given to the creditors of the company or the bankrupt, in order that their interests may be safeguarded.

REMAINDER. (See *Reversion.*)

REMITTANCE. (Fr. *Remise*, Ger. *Rimesse*, *Anschaffung*, Sp. *Remesa*, It. *Rimessa.*)

Money or something equivalent to money sent by one person to another, either in cash, or by bill of exchange, cheque, postal order, or otherwise.

RENEWAL OF A BILL. (Fr. *Renouvellement de traite*, Ger. *Prolongation*, *Erneuerung*, Sp. *Renovación de una letra*, It. *Rinovazione di cambiale.*)

This is the giving or the acceptance of a new bill of exchange in place of a previous one which the acceptor was unable to pay when it fell due. It operates as an extension of time for the payment of the original bill. A renewal without the assent of all the parties liable on the bill as sureties discharges such sureties.

When a bill is given in renewal of a former bill, and the holder retains the former bill, the renewal, in the absence of any special agreement, operates merely as a conditional payment. If the renewal bill is paid in due course or otherwise discharged, the original bill is also discharged; but if the renewal bill is dishonoured, then the liabilities of the parties to the original bill revive and they may be sued upon it, except as to those parties who have not given their assent to the renewal bill.

An agreement to renew a bill means, in the absence of anything to the contrary, that a bill shall be given between the same parties for the same amount, for the same period as and commencing from the date of the expiration of the original bill. But evidence of a contemporaneous oral agreement to renew a bill cannot be admitted in an action upon the bill.

RENT. (Fr. *Loyer*, Ger. *Miete*, *Pachtzins*, Sp. *Renta*, It. *Pigione.*)

This is a money or other payment made, or some service rendered or thing done, the value of which can be estimated in money, in return for the use of lands or tenements held of another. (See *Landlord and Tenant.*)

RENT DAY. (Fr. *Terme*, Ger. *Mietstag*, Sp. *Día de pago*, It. *Giorno del pagamento della pigione.*)

This is the day upon which rents are payable.

RENT ROLL. (Fr. *État de revenus*, Ger. *Zinsregister*, Sp. *Listo de rentas*, It. *Ruolo dei censi delle rendite.*)

This is an account or schedule of rents and income arising out of landed property.

RENTAL. (Fr. *Etat de revenus*, Ger. *Zinsbuch*, Sp. *Lista de rentas*, *arriendo*, It. *Corrisposta totale del fitto.*)

This is the sum total of the rents received on any property.

RENTER. (Fr. *Locataire*, Ger. *Mieter*, Sp. *Rentero*, It. *Locatario.*)

This is the person who is the holder of property by virtue of paying rent for the same.

RENTES. (Fr. *Rentes*, Ger. *Renten*, Sp. *Rentas*, It. *Rendita.*)

This word is the French equivalent for the British consols, though the name is also applied to the annual interest paid upon the national debts of Austria, Italy, and other foreign Governments. The purchaser of consols or rentes buys a right to claim an annual sum of money in perpetuity, and this right he may sell and re-purchase as often as he pleases.

REPLEVIN. (See *Distraint.*)

REPORTING A VESSEL. (Fr. *Donner des nouvelles d'un navire*, Ger. *Nachricht uber ein Schiff geben*, Sp. *Dar noticias de un buque*, It. *Dare delle nuove di un bastimento, dase della nuove, di una nave.*)

This means:—

1. Giving information about a vessel, as in the case of a homeward-bound ship passing another outward bound. The master of the former on arriving in port reports to Lloyd's the name of the vessel, where she was seen, etc.;

2. The attendance of the master at the Custom House and the furnishing of particulars concerning his ship, crew, and cargo. This must be done within twenty-four hours of his arrival in port. The report is generally written out beforehand by the broker's clerk (from the ship's manifest, which arrives by mail) and signed by the captain.

RE-PURCHASE. This may mean:—

1. (Fr. *Racheter*, Ger. *Zurückkaufen*, Sp. *Recomprar*, It. *Ricomprare.*)

The act of buying back again.

2. (Fr. *Rachat*, Ger. *Rückkauf*, Sp. *Rescate*, It. *Ricompra, riacquisto.*)

The goods which are bought back again.

REPUTED OWNERSHIP. (Fr. *Propriété putative*, Ger. *anfechtbare Besitzrechte*, Sp. *Propiedad putativa*, It. *Proprieta supposta.*)

In bankruptcy proceedings the property divisible amongst the creditors of the bankrupt includes not only that which is really vested in him at the commencement of the bankruptcy proceedings, but includes "all goods being, at the commencement of the bankruptcy, in the possession, order, or disposition of the bankrupt, in his trade or business, by the consent and permission of the true owner, under such circumstances that he is the reputed owner thereof; provided that things in action other than debts due or growing due to the bankrupt in the course of his trade or business shall not be deemed goods within the meaning of this section."

The doctrine of reputed ownership dates back to the reign of James I, and the object of it is to prevent the possible fraud upon creditors by a debtor being able to obtain credit to any extent by having in his possession the goods of another person under such circumstances that any ordinary person would imagine the goods to be his own. Still the doctrine has considerable limits.

The words "in his trade or business" are different from those in the section of the Bankruptcy Act of 1869, where the expression is "being a trader." Some judges have thought the two identical, but in one case it was held that this could not be so, and accordingly it was held that shares deposited with a banker to secure an overdraft by a person who traded as a stockbroker, silversmith, and watchmaker, were not within the order and disposition in his trade or business. Again, the words "in his trade or business" have been construed to mean that the goods must be in the order and disposition of the bankrupt for the purposes of or purposes connected with his trade or business. The business must be one carried on with a view to profit as a means of livelihood in order to make the section applicable, and it is not sufficient that a profit is made if the primary object is pleasure.

The term "goods" includes all chattels personal. But it has been held that it does not include lands, or interests in lands, houses, or things affixed to the freehold. And this is true even though the tenant has a sufficient interest in the fixtures to enable the sheriff to seize them under a writ of *fi. fa.* issued against the goods of the tenant. Heirlooms and growing crops are not included. It appears that trade fixtures put up since the date of a mortgage, so far as they are affixed to the freehold, go with it to the mortgagee, and not to the trustee. *Choses in action* are also excepted.

For fixing the date when the doctrine arises, the bankruptcy is deemed to commence at the date of the earliest act of bankruptcy proved against the bankrupt within three months preceding the presentation of the petition, and goods coming into the possession of the bankrupt after such act of bankruptcy have been held not to come within the section of the Act of 1883. So also goods in the possession of the bankrupt at the date of the act of bankruptcy will not pass to the trustee if they are removed before the making of the receiving order, provided the owner was not aware of the act of bankruptcy having been committed, and otherwise acted *bonâ fide*.

To bring goods within the order and disposition of a bankrupt they must be in the sole possession and sole reputed ownership of the bankrupt. In one case, therefore, it was held that where there were two partners, one of whom was an infant, and an act of bankruptcy was committed, the adult partner

being adjudicated a bankrupt, the goods which were in the joint possession of the two partners as reputed owners did not pass to the trustee in bankruptcy.

The goods need not be in the actual possession of the owner himself, but constructive possession will be sufficient. The possession of a servant, of a depositor, of a depositee claiming a lien, of a lessee of a chattel, or of a carrier, is accounted the same thing as the possession of the bankrupt. It has been held that the possession of a pawnee is not the possession of the bankrupt pawnor, so as to bring the goods pawned within the statute, but it has been thought that this decision is open to doubt, and ought not to be relied upon as a safe authority.

Goods which are properly in the possession of the sheriff are thereby taken out of the possession of the bankrupt. This is all the more true if the true owner demands the goods of the sheriff. It is clear, however, that a seizure under a distress of goods, previously in the order and disposition of the bankrupt, takes them out of the statute.

The late Lord Selborne made the following remarks as to reputed ownership: "The doctrine of reputed ownership does not require any investigation into the actual state of knowledge or belief, either of all creditors or of particular creditors; and still less of the outside world, who are no creditors at all, as to the position of particular goods. It is enough for the doctrine if these goods are in such a situation as to convey to the minds of those who know their situation the reputation of ownership; that reputation arising by the legitimate exercise of reason and judgment on the knowledge of those facts which are capable of being generally known to those who choose to make inquiry on the subject. It is not at all necessary to examine into the degree of actual knowledge which is possessed; but the court must judge from the situation of the goods what inference as to the ownership might be legitimately drawn from those who knew the facts. I do not mean the facts that are only known to the parties dealing with the goods, but such facts as are capable of being. and naturally would be, the subject of general knowledge to those who took any means to inform themselves on the subject. So, on the other hand, it is not at all necessary, in order to exclude the doctrine of reputed ownership, to show that every creditor, or any particular creditor, or the outside world who are not creditors, knew anything whatever about the particular goods one way or the other. It is quite enough, in my judgment, if the situation of the goods was such as to exclude all legitimate ground from which those who knew anything about the situation could infer the ownership to be in the person having actual possession."

As to evidence of reputed ownership, it may be said, generally, that nearly every kind of possession is some evidence of ownership, however slight, and in almost every instance where goods in the possession of the bankrupt have been held not to be within the section, the decision has rested rather on the ground that the facts negatived the consent of the true owner to the reputation of ownership than that the possession afforded no evidence, or insufficient evidence, of it. But in those cases where the bankrupt holds in any other right than his own, for example, as executor or trustee, the inference arising from possession is negatived the moment the trust is proved, and it is for the trustee in bankruptcy to produce evidence to show that the bankrupt was allowed to deal with the goods or chattels in a manner inconsistent with his trust. It is to be observed that if the bankrupt deals with the trust property as his own without the consent of his *cestui que trust* or beneficiary, this, although evidence of a reputation of ownership, will not bring the trust property within the section, because the consent of the true owner, the *cestui que trust* or beneficiary, is by the hypothesis negatived. Again, it was held in another case that where the trust was altogether illegal the property did not, on the bankruptcy of the trustee, pass under the section to his trustee in bankruptcy, because the *cestui que trust* was incapable of giving consent.

The wording of the section is such that it is clear that for the doctrine to apply the bankrupt must have been in possession, at the commencement of the bankruptcy, with the consent of the owner. The true owner is the person who is entitled to either a legal or a merely equitable interest in the goods. For example, an equitable mortgagee is a true owner to the extent of his interest. So also is a *cestui que trust*, who may, and often does, act in such a manner as to render the possession of the trustee the possession of a reputed owner within the meaning of the statute. This is

particularly the case where the *cestui que trust* himself is the creator of the trust, or chooses to leave the documents, etc., relating to the property in the hands of the trustee, or where no *bonâ fide* purpose for the trust can be shown, or where the trustees do not execute or know of the deed of trust or refuse to act.

As to the evidence of consent, that is a question of fact to be determined upon the circumstances of each case. Consent naturally pre-supposes knowledge and capacity to consent; for example, married women restrained from anticipation and infants cannot consent.

The customs and usages of trade may, however be so notorious as to exclude the doctrine of reputed ownership in particular cases. A well-known authority on the law of bankruptcy writes as follows: "Some circumstances are of such frequent occurrence in cases of alleged reputed ownership, that it has come rather to be a matter of law than of fact what conclusion such circumstances justify. For instance, an established custom or course of trade, whereby traders have in their possession goods of which they are not the owners, negatives the consent to the reputation of ownership arising *primâ facie* from the possession of the bankrupt; and this even though the goods in question are in the warehouse of a third person to the order of the bankrupt, and no delivery order has been given by the bankrupt to the true owner before the commencement of the bankruptcy. Thus, where the debtors were agents for sale, and described themselves by a brass plate on their business premises as 'merchants and manufacturers' agents,' it was held that the creditors had sufficient notice to exclude the operation of the reputed ownership section, and that goods of manufacturers in possession of the agents, in specie, at the commencement of the bankruptcy, and also proceeds of goods sold, belonged to the manufacturers. It is convenient that questions of custom should be tried by a judge and jury in the High Court, so as to settle the question in such a way that in future the courts will adopt the conclusion arrived at, the doctrine of reputed ownership being one which ought in particular trades to be carefully watched, and ought not to be extended, and the moment it is found that creditors ought not to rely upon the fact that goods are in the possession of their debtor, the court ought to be strict in saying that the property of one man shall not go to pay the debts of another.

"Goods made to order (where the property has passed to the purchaser), still remaining in the possession of the maker, either because they are unfinished or because the vendor has a lien, are not within the section. As to the amount and kind of evidence necessary to establish the custom, see *Ex parte, Watkins, re Couston*, L.R. 8 Ch. 520; *re Hill*, 1 Ch.D. 503; and *Ex parte Powell, re Matthews*, 1 Ch.D. 510, where it was held by the Court of Appeal that the custom of lending furniture was not so well known as to be taken judicial notice of, and also that such a custom to avail must be presumably known to the ordinary creditors. However, in a later case, which was that of a hotel-keeper, the Court of Appeal took judicial notice of the custom of hotel-keepers hiring their furniture. This the court will now always do, and the effect of the custom is absolutely to exclude the reputation of ownership by the hotel-keeper as to all articles necessary for furnishing a hotel for the purpose of its being hired as such, and this whether or no the articles are in fact hired. . . The court will also take judicial notice of the custom for booksellers to have in their shops books for sale on commission. On the other hand, where the purpose and intention of the usage is to continue the reputation of ownership in the vendor, such a usage will not negative the consent of the true owner."

The proviso in the section as to the exclusion of *choses in action* will of course exclude such things as shares in joint-stock companies, policies of insurance, bills of exchange and other negotiable securities, and debentures. Trade debts will also be excluded by an absolute assignment. But an assignment is not complete until the various debtors have received notification of the rights of the assignee, when the debts cease to be in the order and disposition of the assignor.

The doctrine of reputed ownership has no application in the case of factors, who have merely the possession of goods. It is provided by the Factors Act, 1889, that the owner of goods may recover the same from the factor, or his trustee in bankruptcy, before the sale or the pledge of the same.

As to the position of a banker in the case of bills entered short, see *Short-dated Bills*.

REQUEST NOTE. (Fr. *Permis de*

débarquer, Ger. *Erlaubnisschein*, Sp. *Permiso de desembarco*, It. *Permesso o bolletta di sbarco*.)

This is a special permit granted by the custom authorities to land perishable or other goods before the ship has reported and cleared.

RE-RUMMAGED. (Fr. *Visité de nouveau*, Ger. *wieder untersucht*, Sp. *Explorado nuevamente*, It. *Rivisitato*.)

A ship is rummaged whilst discharging its cargo, and re-rummaged when taking in its export cargo.

RESERVE FUND. (Fr. *Fonds de réserve*, Ger. *Reservekapital*, Sp. *Fondos de reserva*, It. *Causali di riserva, fondi di riserva*.)

This is that portion of the profits of a business kept back to meet exceptional demands as they arise.

RESERVE LIABILITY. (Fr. *Passif en réserve*, Ger. *Reservepassiva*, Sp. *Pasivo en reserva*, It. *Passivo in riserva*.)

This is that portion of the uncalled capital of a limited liability company which is only to be called up in the event of the winding up of the company.

RESERVE PRICE. (Fr. *Prix minimum*, Ger. *Reservepreis*, Sp. *Precio de reserva*, It. *Prezzo minimo*.)

This is the lowest price which a person is willing to accept for goods offered for sale by public auction or otherwise.

RE-SHIPMENTS. (Fr. *Rembarquement*, Ger. *Rückverschiffung*, Sp. *Reembarque*, It. *Ricaricamento*.)

These are goods which, having been imported, are re-shipped or exported.

RESIDUE. (Fr. *Reliquat, reste*, Ger. *Rückstand, Rest*, Sp. *Residuo, resto, sobrante, remanente*, It. *Residuo, resto, rimanente, arretrato*.)

This is the surplus of an estate after all legal claims have been satisfied.

RESOLUTION. (See *Companies*.)

RESPONDENTIA. (Fr. *Prêt à la grosse sur marchandises*, Ger. *Respondentia, Bodmerei*, Sp. *Préstamo à la gruesa sobre mercancias*, It. *Prestito a cambio marittimo*.)

The name "respondentia" is given to a separate hypothecation of the cargo of a ship as a security for the repayment of money borrowed for the necessary cost of transmitting and forwarding the ship and its cargo to their destination. The repayment of the money is dependent upon the safe arrival of the ship in port. Respondentia is subject to the same rules as Bottomry. (See *Bottomry Bond*.)

REST. (Fr. *Réserve*, Ger. *Reservekapital*, Sp. *Reserva*, It. *Avanzo, resto, residuo, riserva*.)

This is the reserve fund of a bank. In the weekly return of the Bank of England it signifies the balance of assets over liabilities.

RESTRAINT OF TRADE. (See *Contract*.)

RESTRICTIVE INDORSEMENT. (Fr. *Endos restrictif*, Ger. *beschränktes Indossament*, Sp. *Endoso restringido*, It. *Girata restrittiva*.)

This is an indorsement sometimes put upon a bill of exchange limiting the negotiable character of the document either by depriving the indorsee of the power of further transfer, or giving him authority to deal with the bill only as directed in the indorsement; e.g., "Pay D. only," or "Pay D. for the account of X.," or "Pay D. or order for collection."

A restrictive indorsement gives the indorsee the right to receive payment of the bill and to sue any party thereto that his indorser could have sued, but it gives him no power to transfer his rights as indorsee unless it expressly authorises him to do so. When a restrictive indorsement authorises further transfer, all subsequent indorsees take the bill with the same rights and subject to the same liabilities as the first indorsee under the restrictive indorsement.

RETAIL. (Fr. *Vente en détail*, Ger. *Detailgeschäft, Kleinverkauf*, Sp. *Venta al por menor*, It. *Vendita al minuto o dettaglio*.)

This is the sale of goods in small quantities, as opposed to wholesale.

RETAILER. (Fr. *Marchand en détail*, Ger. *Detaillist, Kleinhändler*, Sp. *Comerciante al por menor*, It. *Negoziante al minuto, venditore al minuto*.)

A retailer is a person who sells goods in small quantities only.

RETAINER. (Fr. *Honoraire*, Ger. *Honorar*, Sp. *Honorario*, It. *Onorario, ritenuta*.)

This term is commonly used to express a contract between a solicitor and counsel, or between a lay client and a solicitor, under which the counsel or the solicitor is engaged not to serve the opposing party in a particular lawsuit.

Another meaning of the word "retainer" is the right of an executor to keep back the amount of his own debt out of the legal assets of the testator which come into his hands in priority to any other creditor of the testator in an equal degree. The reason for this peculiar privilege is that an executor cannot sue himself, since he is in the

position of representative of the deceased, and, therefore, any other creditor might obtain priority by means of a judgment and so prevent the executor receiving anything in satisfaction of his own debt in case the assets of the deceased were insufficient to meet all demands.

An executor may retain his debt, even though barred by the Statute of Limitations, unless he has already brought an action upon it during the lifetime of the testator and failed to obtain judgment. But he cannot retain a debt which is unenforceable by some statutory provision, e.g., the Statute of Frauds or the Sale of Goods Act.

RETIRE A BILL. (Fr. *Retirer une traite*, Ger. *einen Wechsel einlösen*, Sp. *Retirar una letra*, It. *Retirare una cambiale o tratta.*)

This means to withdraw a bill of exchange from circulation before it is due, by one of the parties to the instrument either buying it up and keeping it until maturity, or cancelling it at once. If the bill is retired by the acceptor, either at or after maturity, it is discharged, and all the remedies on the bill are extinguished; but if it is retired by any other person who is primarily liable upon it, all the remedies are retained intact.

A promissory note may be retired in the same way as a bill of exchange.

RETURN OF PREMIUM. (Fr. *Retour de prime, remboursement du droit*, Ger. *Ristorno der prämie, Ruckerstattung des Zolls*, Sp. *Devolución de prima, devolución del derecho*, It. *Storno del dazio, rimborso del dazio.*)

This is a phrase which is used in connection with marine insurance, when the whole or a portion of the premium is returned to the underwriters because the risks insured against have not been encountered, or an excess has been paid.

RETURNS. This word may mean:—

1. (Fr. *Produit*, Ger. *Umsatz*, Sp. *Producto*, It. *Ricavo, profitto.*)

The amount of a merchant's sales during a stated period.

2. (Fr. *Rapport, statistique*, Ger. *Statistik*, Sp. *Estadísticas, entradas*, It. *Statistica, resoconto.*)

The official report of any set of transactions.

REVENUE. (Fr. *Revenu*, Ger. *Staatseinkünfte*, Sp. *Renta*, It. *Gabelle, rendita dello stato.*)

This word is generally applied to the income of a state derived from duties and taxes. In a wider sense it means all earnings, profits, or other income derived from any source.

REVENUE ACCOUNT. (Rev. A/C.) (Fr. *Compte de revenu*, Ger. *Einnahmekonto*, Sp. *Cuenta del tesoro público*, It. *Conto profitti e perdite, conto della rendita.*)

In the transactions of a business concern the revenue account shows the income of the business on one side, and the expenditure chargeable against income on the other. It is distinguished from the capital account, which shows the subscriptions of the partners or shareholders on the one side, and the charges against capital on the other. In the case of a railway, whenever traffic commences, a new account, called a revenue account, is opened, which has no connection with the capital account. From this are drawn all payments for wages, rates, and taxes, coal, coke, oil, and similar expenses; also repairs of carriages and locomotives, maintenance of the permanent way, and general management. That which remains is the fund out of which the interest on debentures and the dividends to shareholders are paid.

REVERSION. (Fr. *Réversion*, Ger. *Anwartschaft*, Sp. *Reversión*, It. *Diritto di successione.*)

This is a right to property which will fall into the possession of some person after the expiration of a grant of the same for a limited period to another person, or on the occurrence of some particular event.

Strictly speaking, a reversion is the right to that portion of the property which has not been dealt with by the grantor, and which will return to him after the expiration of the time for which the grant has been made. For example, if a tenant in fee simple grants to another an estate for years or for life, the residue of the estate, that is the portion not dealt with after the time for which the grant was made, or after the death of the grantee, will return to the grantor, and so long as he is not in possession he will have the right to the reversion. When this reversion is granted to a third person it is called the "remainder," and the third person is called the "remainderman."

RIDER. (Fr. *Annexe, codicille, allonge*, Ger. *Zusatz*, Sp. *Anexo*, It. *Aggiunta, postilla, codicillo, allunga.*)

A rider is an addition to a document after its completion, on a separate piece of paper, or an additional clause to a resolution or verdict.

RIG. (Fr. *Faire hausser* (or *baisser*) *les prix*, Ger. *den Markt schwänzen, Preise treiben*, Sp. *Hacer jugarreta*, It. *Cagionare un rialzo o ribasso nei prezzi del cambio.*)

Rigging the market is a Stock Exchange term, and means the forcing up of the price of any security without regard to its real value. It is usually effected by secretly buying up such a quantity of any security as will produce an artificial or a temporary scarcity, until the price (owing to the demand being greater than the apparent supply) is enhanced far above the real value of the security, thus enabling the "riggers" to re-sell their holdings at a forced profit.

RING. (Fr. *Ligue, coalition, bande noire*, Ger. *Ring*, Sp. *Liga, coalición*, It. *Coalizione, lega, banda nera.*)

A ring is a combination of capitalists formed for the purpose of raising the price of a certain commodity far above its real market value by withholding it from circulation.

RIVER DUES. (Fr. *Droits fluviaux, droits de rivière*, Ger. *Flussgebühren*, Sp. *Derechos fluviales*, It. *Diritti fluviali.*)

Those are charges which are levied upon vessels for the use of a river.

ROAD, or ROADSTEAD. (Fr. *Rade*. Ger. *Reede, Ankerplatz*, Sp. *Rada, Abra*, It. *Rada, baia.*)

This is a place where ships can ride at anchor at some distance from the shore.

ROD. (Fr. *Perche*, Ger. *Rute*, Sp. *Percha*, It. *Pertica, canna, metri quadrati* 25·29.)

This is an English measure of length, containing 5½ yards or 16½ feet, or nearly 5 metres. Throughout many districts the word is used for pole or perch.

ROLLING STOCK. (Fr. *Matériel roulant*, Ger. *Betriebsmaterial*, Sp. *Material rodante*, It. *Materiale roteante, materiale circolante.*)

This is the stock of engines, carriages, wagons, trucks, cars of railway or tramway companies.

ROOD. (Fr. *Perche carrée, dix ares*, Ger. *englische Rute Land*, Sp. *Medida inglesa de terrenos*, It. *Un decimo di ettaro o are* 10.)

In land measurement, this is the fourth part of an acre, containing 40 square poles or perches, each of 30¼ square yards. A rood is almost exactly the tenth part of a hectare, or, more correctly, 0·10117 hectare.

ROUBLE. (Fr. *Rouble*, Ger. *Rubel*, Sp. *Rublo*, It. *Rublo.*)

This is a Russian silver coin, of the value of 100 copper copecs, and having a circulating value of about 2*s*. 1½*d*. sterling.

ROYALTY. This word is used to denote:—

1. (Fr. *Redevance*, Ger. *Abgabe*, Sp. *Privilegio*, It. *Canone.*)

Dues paid by a person or company working a mine to the owners of the land for the privilege of working the ore, coal, etc.

2. (Fr. *Tantième*, Ger. *Patentgebühr*, Sp. *Patente*, It. *Diritti di brevetto.*)

Payment made to a patentee for the use of his patent.

3. (Fr. *Droits d'auteur*, Ger. *Anteil des Verfassers*, Sp. *Derechos de autor*, It. *Diritti d'autore.*)

Allowances made by a publisher to an author for the privilege of publishing and selling his book.

RUMMAGING. (Fr. *Visiter*, Ger. *Zolluntersuchung*, Sp. *Visitar*, It. *Visitare, ispezionare.*)

This is the name given to the searching of a vessel by the officers of the Custom House, for the purpose of ascertaining that neither dutiable nor prohibited goods are concealed on board.

RUN ON A BANK. (Fr. *Demandes générales de remboursement immédiat*, Ger. *Bestürmen einer Bank*, Sp. *Retiro de fondos en caso de pánico*, It. *Ressa agli sportelli per immediato pagamento.*)

This is the name given to an unusual demand for the repayment of deposits and the cashing of notes caused by fears that the bank is unable to meet its liabilities.

RUNNING DAYS. (Fr. *Journées de travail*, Ger. *laufende Tage*, Sp. *Dias laborables y festivos*, It. *Giorni consecutivi di lavoro.*)

This is a chartering term for consecutive days, including Sundays, the ship, therefore, not being limited to working days.

RUNNING DOWN CLAUSE. (Fr. *Clause sur l'abordage d'un navire*, Ger. *Übersegeln-Klausel*, Sp. *Cláusula sobre el abordage*, It. *Clausola del mandare a fondo un bastimento.*)

This is the name given to a clause which is sometimes inserted in a policy of marine insurance by which the underwriters agree to pay a certain sum as damages when a collision occurs between the ship which is insured with them and another vessel.

RUPEE. (Fr. *Roupie*, Ger. *Rupie*, Sp. *Rupie, moneda de la India inglesa*, It. *Rupia.*)

The rupee is a gold and a silver coin which is current in several parts of Asia

and the islands of the Eastern Archipelago. Its value not only varies with the course of exchange, but is also different in different localities. In calculation, however, the silver rupee current in the East Indies may be taken as representing about 1*s.* 4*d.* sterling, the sicca rupee of account as 2*s.* 6*d.*, and the gold rupee as 29*s.* 6*d.* A lac consists of 100,000 rupees.

The weight of the rupee is 185 grains, and is the universal standard of weight, both for jewellers and as a multiple for heavy goods.

RUPEE PAPER. (Fr. *Obligations indiennes*, Ger. *indische Schatzscheine*, Sp. *Pagarés de India*, It. *Obbligazione indiana.*)

This is a term given in the money market to the promissory notes of the Indian Government, these being exchangeable for so many rupees. They are called "enfaced paper" when bearing a clause to the effect that the dividend upon them can be collected by drafts on India by presenting the notes at the Bank of England. Or, if preferred, the drafts will now be posted to a person's private address, upon his signing and lodging the necessary form requesting the Bank to do so. The interest drafts, being convenient remittances to India, may readily be sold to money brokers at the current rate of exchange.

S. This letter is used in the following abbreviations:—

- $, Dollars.
- Scp., Script.
- S/D., Sea Damaged (grain trade).
- S/N., Shipping Note.
- S.P., Suprà Protest.
- S.S., Steamship.
- Stg., Sterling.
- Stk., Stock.

SACK. (Fr. *Sac*, Ger. *Sack*, Sp. *Saco*, It. *Sacco.*)

This is a measure usually reckoned at half a quarter of corn, or four bushels.

SAGGING. (Fr. *Affaissement*, Ger. *weichende Preise*, Sp. *Aflojamiento*, It. *Declinamento, tendenza al ribasso.*)

Sagging means a lowering, drooping, or falling away. A sagging market is one in which prices are continually dropping or falling away.

SALARY. (Fr. *Appointements, salaire*, Ger. *Salär*, *Gehalt*, Sp. *Salario*, *sueldo*, It. *Salario*, *emolumento.*)

A salary is the periodical allowance or recompense made to a person for his pains and industry in another's business. A salary is usually computed at a certain annual amount, although payment may be made at frequent intervals, either quarterly or monthly. Weekly remuneration for services rendered is generally denominated wages.

In cases of bankruptcy the salary of a bankrupt, or a portion thereof, may be attached under the direction of the court for the payment of his debts; but a sufficient sum must be left for the support of the bankrupt and his family, and for the maintenance of his official position, if he holds one.

The salary of a clerk or servant for services rendered within four months before the making of a receiving order, or of a winding-up order, and not exceeding £50, ranks as a preferential claim under the bankruptcy and company statutes, and must be paid in the case of a winding-up order before even the claims of the debenture-holders of the company.

SALE. (Fr. *Vente*, Ger. *Warenverkauf*, Sp. *Venta*, It. *Vendita.*)

The law relating to the sale of goods has been codified by the Act of 1893. Until the Act was passed the law could only be gathered from a number of Acts of Parliament and a mass of cases decided in the courts. Now it is compressed into a statute of sixty-four sections.

The general law of contract applies to the sale of goods, such as offer and acceptance, the capacity of parties, consideration and the like.

A contract of sale of goods is defined as "a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a money consideration called the price."

By "property" is meant the complete ownership in the goods, the subject matter of the contract. It must be distinguished from the limited or special right which is sometimes granted to another person, and is called "possession."

The term "goods" includes all chattels personal other than *choses in action* and money. "It also includes emblements, that is, industrial growing crops, and things attached to or forming part of the land which are agreed to be severed before sale or under the contract of sale." "The goods which form the subject matter of the contract may be either existing goods, owned or possessed by the seller, or goods to be manufactured or acquired by the seller after the making of the contract of sale . . . called 'future goods.'"

Where there is a contract for the sale of specific goods, and the goods without the knowledge of the seller have perished at the time when the contract is made, the contract is void.

The definition of the term "contract of sale" includes both actual sales and agreements for sale. These two classes must be clearly distinguished. An agreement to sell—sometimes called an executory contract of sale—is a contract pure and simple, whereas a sale—sometimes called an executed contract of sale—is something more than a sale, as it includes a conveyance. The rights and obligations of the parties to the contract are not the same in a contract of sale as in an agreement to sell. Thus, where goods have been sold and the buyer is in default, the seller can sue for the contract price, but where there is an agreement to sell the remedy of the seller is an action for unliquidated damages. Again, if the seller breaks his contract in an agreement to sell, the buyer has no right to the goods themselves, but only a remedy in damages against the seller; whereas, if there has been a sale, not only is there a remedy in damages against the seller, but the goods may be recovered by the buyer. The distinction is very important in case the goods are destroyed, because when there has been a sale the loss falls upon the buyer, even though the goods have never been in his possession, while the seller must generally bear the loss under an agreement for sale.

Price.—In a contract of sale the price is generally fixed by the parties. But it is not absolutely necessary that the price should be fixed beforehand. It may be left to the valuation of third person. If, however, the third person fails to make such valuation the contract of sale is void, unless there has been fraud on the part of one of the contracting parties, or unless there has been a part performance of the contract. When no price has been named, and no method of valuation agreed upon, the buyer must pay a reasonable price. What is a reasonable price will depend upon the circumstances of each particular case. It may or may not be in excess of the current market price.

When there is a transfer of goods by one person to another, or by one part owner to another, without any price or consideration passing between the parties, the transaction is called a gift. An agreement to give is of no legal value. Unless the gift of goods is made by deed it is incomplete until delivery has been made to the donee. When the consideration for the transfer of goods is other goods the contract is one of barter. But if the consideration consists partly of goods and partly of money, it seems that the contract is a contract of sale.

Formation of the Contract.—Until the reign of Charles II no formality was necessary as regards the contract for the sale of goods. The contract might have been made by deed or evidenced by writing, but an oral agreement was quite sufficient. The Statute of Frauds, however, enacted that all executory contracts of sale, where the price of the goods, wares, or merchandise was £10 or upwards, should not be allowed to be good—though judicial construction interpreted this as meaning unenforceable by action—unless there was some note or memorandum of the transaction made and signed by the party to be charged (or his agent), or unless there had been some act of part performance. Lord Tenterden's Act, 1828, extended this provision to the case of goods which were not in existence or not fit for delivery at the time of the making of the contract. By the fourth section of the Sale of Goods Act, 1893, the law upon the subject of the formation of the contract has been re-stated, though the section reproduces, in substance, the former statutory provisions together with the interpretations placed upon them by the court. The section runs as follows:—

"A contract for the sale of any goods of the value of £10 or upwards shall not be enforceable by action unless the buyer shall accept part of the goods so sold, and actually receive the same, or give something in earnest to bind the contract, or in part payment, or unless some note or memorandum in writing of the contract be made and signed by the party to be charged or his agent in that behalf.

"The provisions of this section apply to every such contract, notwithstanding that the goods may be intended to be delivered at some future time, or may not at the time of such contract be actually made, procured or provided, or fit or ready for delivery, or some act may be requisite for the making or completing thereof, or rendering the same fit for delivery."

Part payment and earnest are easy to understand; but it has not always been possible to arrive at the meaning

of acceptance and receipt. "Acceptance" is not here used in the ordinary and popular sense of the word. By the Act it is declared that "there is an acceptance of goods within the meaning of this section when the buyer does any act in relation to the goods which recognises a pre-existing contract of sale, whether there be an acceptance in performance of the contract or not." The subject is not free from doubt, and the safest guide to the present law is to be found in the case of *Abbott* v. *Wolsey*, 1895, 2 Q.B. 97. There the defendant purchased a quantity of hay—there being no note or memorandum signed by him—and when it was delivered he took a sample and examined it. Thereupon he said: "The hay is not to my sample, and I will not have it." It was held, upon the facts, that there was evidence of an act done by the buyer in respect of the goods which recognised a pre-existing contract of sale, and that there had been a sufficient acceptance within the fourth section of the Sale of Goods Act.

The note or memorandum sufficient to supply the requirements of the Act is of the kind required generally in contracts which must be evidenced by writing. If it refers exclusively to the sale of goods, wares, or merchandise no stamp is necessary. The exemption from stamp duty, however, does not apply if the sale is by deed.

Caveat Emptor.—At common law there was no implied warranty or condition that the subject matter of a contract of sale was fit for any particular purpose. It was the duty of the buyer to make himself acquainted with the defects, if any, of the goods he was purchasing, and if he did not do so he had no remedy against the seller, except in the cases of misrepresentation or fraud. Now, however, the law implies the existence of warranties and conditions in certain cases, and in others various Acts of Parliament have been passed to exclude the common law rule. Nevertheless, subject to the provisions of the Sale of Goods Act and the other statutes passed upon the subject, there is still no implied warranty or condition as to the quality or fitness for any particular purpose of goods supplied under a contract of sale. The purchaser must be on his guard.

Conditions and Warranties.—Contracts of sale are frequently made subject to certain stipulations, and it is a matter of importance to determine whether these stipulations are or are not of the essence of the contract. With the exception of a stipulation as to the time of payment—unless a different intention is expressed—the question as to whether a stipulation is or is not of the essence of the contract depends upon the terms of the contract itself. These stipulations are generally known as conditions or warranties.

The term "condition" as applied to a contract may mean either an uncertain event on the happening of which the obligation of the contract is to depend, or a stipulation in the contract making its obligation dependent upon the happening of the event. The Sale of Goods Act does not define the term "condition," although it uses it frequently, and the definition above, therefore, is that belonging to the general law of contract. Any failure to fulfil a condition is a ground for the repudiation of the contract.

On the other hand a "warranty" is defined by the Sale of Goods Act as "an agreement with reference to goods which are the subject of a contract of sale, but collateral to the main purpose of such contract, the breach of which gives rise to a claim for damages, but not the right to reject the goods and treat the contract as repudiated." The difference of the remedy in cases of conditions and warranties must be carefully borne in mind, though the distinction between the terms is not often observed by judges and text-book writers.

No particular form of words is needed to create a warranty, as every affirmation which is made at the time of the sale of a personal chattel is a warranty, if it appears to have been intended to be such. Still some test is necessary in order to decide whether there is really a warranty, and the best one that can be applied seems to be this, "Did the seller who made the affirmation assume to assert a fact of which the buyer was ignorant?" If he did so, then he warranted. The warranty must be made at the time the contract of sale is entered into and must form a part of it, otherwise it is void for want of consideration. This is the case even when the representation relied upon as a warranty is made before the sale. If the contract of sale is reduced to writing, the terms of any warranty must be included in the document, as no extraneous evidence can be given to show its existence, for that would, in effect, be a variation of the written contract.

There are many cases in which it is difficult to determine exactly whether a stipulation is a condition or a warranty. That depends, primarily, upon the construction of the contract, for a stipulation may be, in fact, a condition, although it is called a warranty. Again, where a contract of sale is not severable, and the buyer has accepted the goods, or part thereof, or where the contract is for specific goods, the property in which has passed to the buyer, the breach of any condition may be treated, as far as the remedy is concerned, as a breach of warranty, unless there is a term in the contract, express or implied, to the contrary. And lastly, where a contract of sale is subject to any condition to be fulfilled by the seller, the buyer may waive the condition, or may elect to treat the breach of the condition as a breach of warranty, and not as a ground for treating the contract as repudiated.

In the absence of any express terms to the contrary, the Sale of Goods Act now implies certain conditions and warranties as to title, quality, fitness, etc.

As regards title, there is an implied condition on the part of the seller that he has, in the case of a sale, a right to sell the goods, the subject matter of the contract, or that he will have the right to do so under an agreement for sale at the time when the property is to pass. There is also an implied warranty that the buyer shall have quiet possession of the goods, and that they are free from any charge or encumbrance in favour of third parties which are not declared, or which are unknown to the buyer, at the time of making the contract. This rule, however, does not apply when goods are purchased from a sheriff or a pawnbroker.

As regards quality or fitness, where there is a contract for the sale of goods by description, there is an implied condition that the goods shall correspond with the description, and if the sale is by sample as well as by description, it is not sufficient that the bulk of the goods corresponds with the sample if the goods do not also correspond with the description. Where goods are sold by a trader for a particular purpose, of which he is well aware, and it is shown that the buyer relies upon the skill or judgment of the seller, the goods must be reasonably fit for the purpose for which they are intended. This is so whether the seller is the manufacturer or not, but there is no implied condition of quality or fitness if a specific article is sold under its patent or trade name.

Where the contract is for the supply of manufactured goods there is an implied condition that they must be of merchantable quality. Sale by sample does not exclude this condition. But there is no implied condition attached if the buyer has examined the goods and defects exist which a proper examination ought to have revealed.

When the sale is by sample, in addition to the above-mentioned implied condition that the goods are merchantable, there are added the two following:—

(1) The bulk shall correspond with the sample in quality.

(2) The buyer shall have reasonable opportunities for comparing the bulk with the sample.

Special conditions or warranties may be implied by the custom of the trade, and are also imposed in certain cases by statute, *e.g.*, the Merchandise Marks Act, 1887, the Fertilisers and Feeding Stuffs Act, 1893, and the Anchor and Chain Cables Act, 1899.

Transfer of Property.—It is important to determine the time when the property in the goods passes to the buyer, since the risk lies with the owner. In order to fix the time, the first thing to be done is to look at the intention of the parties. But if there has been no expression of intention, and if the facts of the case do not imply something to the contrary, the following are the rules to be observed:—

(*a*) Where there is an unconditional contract for the sale of specific goods which are ready for delivery, the property passes to the buyer when the contract is made. The fact that the time of payment or delivery is postponed is immaterial.

(*b*) Where there remains something to be done by the seller in order to put the goods into a deliverable state, or where the goods have to be measured, weighed, or tested, the property does not pass until the act required is done and notice of it has been given to the buyer.

(*c*) Where goods are delivered to the buyer on approval or "on sale or return," or on other similar terms, the property passes to the buyer as soon as he approves of them, or does some act showing his adoption of the transaction; and he will be presumed to have approved of the goods if he retains them, and gives no notice of rejection within a reasonable time.

(*d*) Where there is a contract for the sale of unascertained or future goods by

description, and goods of that description in a state ready for delivery are unconditionally appropriated to the contract by either party with the express or implied assent of the other, the property in these goods passes at once to the buyer. Such an appropriation is made when the goods are delivered to a carrier for transmission to the buyer.

(e) Where there is a reservation by the seller of the right of disposal of the goods until certain conditions are fulfilled, the property in the goods will not pass until the conditions have been fulfilled, notwithstanding the delivery of them to the buyer, or to some other person on his behalf.

Transfer of Title.—If the goods are transferred by any other person than the owner or his agent, the buyer will not, except in so far as it is permitted by statute law, e.g., the Factors Act, acquire any greater right to the goods than that possessed by the transferor. The maxim of the law is that no one can give that which he has not got—*nemo dat quod non habet* - unless it happens to be a negotiable instrument; and therefore no one can transfer the ownership of goods when he himself has nothing more than the possession of them. The rightful owner can at any time follow the goods and demand restitution of them, without compensation, from a person who has bought them or had them transferred to him, whether value has or has not been given. The transferee must rely upon his own remedy, such as damages for breach of an implied warranty of title, against his immediate transferor.

The chief exception to the rule that a purchaser obtains no property in goods of which his transferor was not the owner is the case of the sale of goods in "market overt." This phrase signifies an open or public market. All shops in the city of London are market overt for the purposes of their own trades, and outside the limits of the city the name is applied to particular places which are set apart for a market by grant or by prescription. If then goods are purchased in market overt, the purchaser must act with the utmost good faith. Any suspicious circumstances or secret dealing will destroy the privilege. And the benefit will be entirely lost if the goods are the proceeds of a felonious taking and the thief is afterwards prosecuted and convicted, for the property in the goods at once revests in the original owner.

The compulsory restitution of stolen property must often inflict considerable hardship upon an innocent purchaser. The Act of 1893 has made an exception in favour of a purchaser, whether in market overt or otherwise, of goods which have been obtained by the vendor through means which do not amount to larceny. If they have been obtained by what is known as false pretences, which is a misdemeanour, the purchaser is quite safe, even though the person who obtained the goods by false pretences is prosecuted and convicted.

The privilege of market overt does not apply to the sale of horses, which is provided for by special statutes.

A second exception shows the importance to the buyer of obtaining possession of the goods as soon as possible after the completion of the contract of sale, and the passing of the property in them to the purchaser. For when a person who has sold goods remains in possession of them, or of the documents of title to them, and then transfers the goods or the documents to a third person, the previous purchaser loses all title unless it is shown that the third person did not act in good faith, or that he was aware of the previous sale.

Another exception is the case of the purchaser obtaining possession of the goods, or of the documents of title to the same, under a sale or an agreement for sale, and transferring them to a third person without any notice of the existence of any lien or other right on the part of the original vendor. The third person obtains the ownership of the goods, as though the transfer had been made by a mercantile agent, as defined by the Factors Acts, and the original vendor is left to his own remedies against the original purchaser. (See *Hire Purchase.*)

Performance of the Contract.—It is the duty of the seller to deliver the goods, and of the buyer to accept and pay for them according to the terms of the contract of sale. Unless it is otherwise agreed, for example, if credit is to be given, delivery and payment are concurrent conditions, that is, the seller must be ready and willing to give possession of the goods to the buyer in exchange for the price, and the buyer must be ready and willing to pay the price in exchange for the possession of the goods.

Delivery signifies transfer of possession. In order to be effective such actual transfer does not require the physical handing over of the goods.

The delivery of the key of a warehouse may operate as a delivery of the goods in that warehouse, and the transfer of bills of lading is a valid transfer of the goods named therein.

If no agreement has been made by the parties as to the place of delivery, there is no duty on the part of the seller to send or carry the goods to the buyer. It is quite sufficient for him to give the buyer reasonable facilities for taking possession of them. If, therefore, nothing is said as to delivery, it is implied that the place of delivery is the business house of the seller, if he has one, and otherwise his residence. When the parties agree that the goods are to be delivered by the seller to the buyer, delivery to a carrier is a sufficient compliance with this term of the contract, but notice of the fact must be given by the seller to the buyer, so that there may be an opportunity of covering any possible loss in transit by insurance.

When the goods are, at the time of the contract of sale, in the possession of a third person, there is no delivery unless and until such third person acknowledges to the buyer that he holds the goods on his behalf. This does not affect the right of delivery which may have passed by the transfer of a bill of lading or other document of title to the goods.

It is the duty of the seller to deliver the exact quantity of goods ordered. If he delivers either more or less the buyer has the option of refusing or of accepting them. If he accepts them, he must pay for the quantity accepted, whether more or less than the quantity ordered, at the contract rate.

The buyer is not bound, except by agreement, to accept delivery of the goods by instalments.

Lien of the Seller.—For any breach of the contract of sale the buyer and the seller have a personal remedy, the one against the other. But in addition to the personal remedy a seller has certain rights against the goods themselves, even though the property in them may have passed to the buyer, so long as the actual possession of them remains with the seller.

The first of these rights is "lien," or the right to retain. The seller of goods, who has not been paid, is entitled to retain possession until the price has been paid or tendered, when—

(1) The goods have been sold without any stipulation as to credit; or

(2) The period of credit has expired; or

(3) The buyer has become insolvent.

But the lien will be lost—

(1) If the goods are delivered to a carrier to be sent to the buyer, and the seller does not reserve the right of disposal; or

(2) If the buyer or his agent obtains possession of the goods; or

(3) If the right is waived by the seller.

Another right of the seller is that of re-taking possession of the goods under certain conditions whilst they are on their way to the buyer. (See *Stoppage in Transitu.*)

Right of Re-sale.—An unpaid seller has the right of re-sale when the buyer, within a reasonable time, refuses to pay for the goods or to tender their price.

It arises in three cases:—

(*a*) Where the goods are of a perishable nature;

(*b*) Where the seller has given express notice of his intention to re-sell, and the buyer does not tender the price;

(*c*) Where the seller has reserved to himself a right of re-sale in case of the default of the buyer.

Remedies of the Seller.—If the property in the goods sold has passed to the buyer, in accordance with the rules already stated, and the buyer refuses either to accept the goods when tendered to him, or to pay for them when they have come into his possession, the seller has a right of action, in the first case for damages for non-acceptance, and in the second for the price of the goods. The measure of damages for non-acceptance is the estimated loss which directly and naturally results from the buyer's breach of contract. This is ascertained, when there is an available market for the goods in question, by the difference between the contract price and the market or current price at the time when the goods ought to have been accepted. When an action for the price is contemplated no proceedings can be taken until the money is actually due. In certain special cases interest may be allowed in addition to the price of the goods.

A bill of exchange given in payment for goods operates generally as a conditional payment. If the bill is dishonoured at maturity the debt revives, and the seller may sue either upon the bill or upon the consideration for the sale.

Remedies of the Buyer.—When the seller wrongfully neglects or refuses to deliver the goods according to the terms of the contract, the buyer may maintain

an action against him for damages for non-delivery. The measure of damages, as in non-acceptance, is the estimated loss which directly and naturally results from the seller's breach of contract This is also ascertained in the same way as in the converse case of non-acceptance. But special circumstances may enhance the damages, especially if there is no available market in which the buyer can obtain similar goods, or if he has made known to the seller the fact that the goods are required for a particular purpose. Each case, however, will depend upon its own circumstances.

When the goods sold are of peculiar value the court may, if it thinks fit, order the seller to deliver the identical goods he has contracted to supply, that is, may decree what is called "specific performance," instead of condemning him in ordinary damages.

Where there is a breach of warranty by the seller, or where the buyer elects, or is compelled, to treat a breach of a condition on the part of the seller as a breach of warranty, the buyer is not entitled, merely by reason of such breach, to reject the goods, but he can set up the breach in diminution or extinction of the price, or he can maintain an independent action against the seller for damages for breach of warranty. In the case of breach of warranty of quality, the damage sustained is the difference between the value of the goods at the time of delivery to the buyer and the value they would have had if they had answered to the warranty.

As to sales by auction, see *Auction*.

SALE WARRANT. (Fr. *Warrant de vente*, Ger. *Verkaufsschein*, Sp. *Cupón de venta*, It. *Mandato di vendita*.)

This is a warrant issued with a weight note when goods are sold for payment by a deposit at the time of sale, and the balance by a prompt date, to be exchanged for the actual warrant for the goods as soon as the balance of the purchase money has been paid.

SALVAGE. (Fr. *Droit de sauvetage*, Ger. *Bergelohn*, Sp. *Salvamento*, It. *Diritti di salvataggio*.)

Salvage is the reward or compensation paid by the shipowner, or by the owners of goods carried in the ship, for extraordinary services performed at sea, whereby the ship or the goods are saved from shipwreck or other loss.

To entitle the salvors to reward it must be shown that the work was performed voluntarily, that the ship or goods were saved from loss, and that without such services they would most probably have been lost. There is no claim for salvage for the mere saving of human life. The passengers and crew of the vessel saved, whatever their exertions may have been, and pilots are not, as a general rule, entitled to salvage.

The amount of salvage is determined, in case the parties cannot agree, by the Admiralty Division of the High Court of Justice.

The term "salvage" is also applied to

(1) Goods saved from the dangers of the sea. (Fr. *Objets sauvés*, Ger. *geborgene Güter*, Sp. *Objetos salvados*, It. *Le merci salvate dal naufragio*.)

(2) Property saved from a fire on land or sea. (Fr. *Objets sauvés*, Ger. *vom Feuer gerettete Waren*, Sp. *Objetos salvados*, It. *Gli oggetti salvate dall' incendio*.)

SALVAGE LOSS. (Fr. *Perte sèche*, Ger. *Bergungsverlust*, Sp. *Pérdida neta*, It. *Perdita netta*.)

This is a term used in marine insurance for the loss settled by underwriters after a certain sum representing the value of the goods saved has been deducted from the amount for which the goods were insured.

SAMPLE. (Fr. *Échantillon*, Ger. *Muster*, *Probe*, Sp. *Muestra*, It. *Campione*.)

A sample is a small portion of any kind of merchandise exhibited to show the quality of the whole.

By the Sale of Goods Act, 1893, it is enacted that in the case of a contract for sale by sample, there is an implied condition, (*a*) that the bulk shall correspond with the sample in quality; (*b*) that the buyer shall have a reasonable opportunity of comparing the bulk with the sample; and (*c*) that the goods shall be free from any defect rendering them unmerchantable, which would not be apparent on reasonable examination of the sample.

It is not sufficient if there is a sale by sample and description that the bulk of the goods shall correspond with the sample, if the goods themselves do not also correspond with the description.

SAMPLING ORDERS. (Fr. *Ordres d'échantillonnage*, Ger. *Probierscheine*, Sp. *Ordenes de sacar muestras*, It. *Ordini di prendere campioni, mandati per campionaggio*.)

These are documents issued by merchants, having goods stored at a dock warehouse, authorising the warehouse-keeper to give samples.

SANS RECOURS. (Fr. *Sans rec*

Ger. *ohne Regress*, Sp. *Sin recursos*, It. *Senza ricorso.*)

This phrase means "without recourse." This is a phrase sometimes used in the indorsement of bills and notes. When an indorser wishes to free himself from personal responsibility he adds these words to his signature. He then incurs no liability upon the instrument.

SCHEDULE. (Fr. *Inventaire, liste*, Ger. *Verzeichnis*, Sp. *Cédula*, It. *Cedola, scheda, inventario.*)

A schedule is a list or inventory. A document appended to or accompanying some other document or larger work, generally in the form of a list or catalogue, affording additional particulars as to some part of that other document or work, which cannot conveniently be inserted in the document or work itself.

SCILICET. This is a contraction of two Latin words, *scire licet*, "you may know." In its rare use in English it means "that is to say," "namely," "to wit."

SCRIP. (Fr. *Certificat provisoire*, Ger. *Interimsschein*, Sp. *Certificado provisorio*, It. *Cedola, certificato provvisorio.*)

This is a Stock Exchange term contracted from the word "subscription." It is the provisional certificate of a person's shares in a joint-stock company or in a Government loan.

When the Government of a foreign country wishes to issue a loan, or when a public company needs to borrow money, the public are invited to subscribe by means of a prospectus. A subscriber who applies, if his application is successful, receives a letter of allotment, which is exchanged for scrip as soon as the subscriber pays the first instalment of the purchase money for the share or shares. A piece of scrip contains the number of bonds or shares taken up by the subscriber, a receipt giving the amount and the date of the first instalment paid by the subscriber, and the amounts and the dates of each instalment which remains to be paid. When the whole of the instalments are paid off, the piece of scrip is exchanged for a bond or share certificate.

A scrip certificate, allotment letter, or other document entitling a person to become the proprietor of any shares in a joint-stock company requires if less than £5 an impressed penny stamp; above £5 a sixpenny stamp.

Scrip and share certificates are often used in the same sense by commercial men.

SCRIVENER. (Fr. *Notaire*, Ger. *offentlicher Schreiber, Notar*, Sp. *Notario, escribano*, It. *Scrivano, notaro.*)

This is a person whose business is to put out money at interest for his clients, receiving a bonus or commission for the work. The commission is frequently spoken of as a "procuration fee."

SCRUPLE. (Fr. *Scrupule*, Ger. *Skrupel*, Sp. *Tercera parte de dracma*, It. *Scrupolo o 20 grani.*)

This is a small weight of twenty grains.

SCRUTINEER. (Fr. *Scrutateur*, Ger. *Untersucher*, Sp. *Oficial de escrutinio*, It. *Scrutatore.*)

A scrutineer is a person who examines a thing closely. The articles of association of a company often provide for the appointment of a scrutineer to compute the votes of the members of a company in general meeting when a poll is taken. In the absence of any regulation the chairman may appoint a scrutineer or himself act as such with the approval of the members.

SCRUTINY. (Fr. *Dépouillement de scrutin*, Ger. *Wahlprüfung*, Sp. *Escrutinio*, It. *Scrutinio.*)

This is an examination of the voting papers given in at an election for the purpose of correcting a poll. Any close search or examination.

SEAL. (Fr. *Cachet, scellé, sceau*, Ger *Petschaft, Siegel*, Sp. *Sello*, It. *Sigillo suggello.*)

This is the impression in wax or other soft substance, made by means of an engraved stamp. The name is also applied to the engraved stamp itself. All deeds must be sealed. Also every joint-stock company must have a seal, which is used to authenticate documents in its name.

SEA LETTER. (Fr. *Permis de navigation*, Ger. *Seebrief, Seepass*, Sp. *Permiso de navegación*, It. *Permesso di navigazione, passaporto marittimo.*)

(See *Ship's Passport.*)

SEAPORT. This may mean:—

1. (Fr. *Port de mer*, Ger. *Seehafen*, Sp. *Puerto de mar*, It. *Porto di mare.*)

A harbour on the seashore.

2. (Fr. *Ville maritime*, Ger. *Seestadt*, Sp. *Ciudad marítima*, It. *Città marittima.*)

A city or town situated near a harbour on the seashore.

SEARCHERS. (Fr. *Visiteurs*, Ger. *Inspektor, Untersucher*. Sp. *Inspectores, revisadores*, It. *Ispettori, verificatori di dogana.*)

These are the Customs' officers who

taste, weigh, measure, and examine imported goods for the purpose of taxing those liable to duty, on their being landed from ships; or, in the case of exported goods, who watch over and certify to their regular shipment according to the prescribed routine.

SEARCH WARRANT. (Fr. *Mandat de perquisition*, Ger. *Haussuchungsbefehl*, Sp. *Orden de revisadores*, It. *Mandato di perquisizione*.)

This is a legal document authorising a search for stolen goods, or for the supposed concealed property of a bankrupt.

SEAWORTHY. (Fr. *Navigable*, Ger. *Seetüchtig*, Sp. *Navegable*, It. *Navigabile, atto a navigazione*.)

The term "seaworthy" is applied to the fitness of a ship to undertake the particular voyage contemplated. Seaworthiness is an implied warranty in policies of marine insurance, except time policies, and in the contract for the carriage of goods by sea.

The warranty applies only to the time of loading and the time of sailing. After the ship has started upon the voyage there is no implied warranty that she will continue seaworthy during the voyage.

The presumption is that a ship is seaworthy, but, if she goes wrong very shortly after sailing, the assured will be called upon to show that it was from causes arising subsequent to the commencement of the voyage.

SECOND AND THIRD CLASS PAPER. (Fr. *Papier de seconde et de troisième classe*, Ger. *Wechsel zweiter und dritter Klasse*, Sp. *Letras de segunda ó tercera clase*, It. *Documenti o carte di seconda e terza classe o ordine*.)

This signifies the bills of exchange, promissory notes, or other documents of the same kind, which are indorsed or guaranteed by merchants or others whose commercial standing is not of the highest.

SECOND VIA. (Fr. *Seconde de change, deuxième*, Ger. *Sekunda, Sekundawechsel*, Sp. *Segunda via, segunda de cambio*, It. *Seconda, seconda di cambio*.)

This is the second copy of a bill of lading which is often sent by a different route from that by which the first is sent in order to save time in case the original bill fails to reach its destination.

SECRETARY. (Fr. *Secrétaire*, Ger. *Sekretär*, Sp. *Secretario*, It. *Segretario*.)

This is the officer to whom the general management of the affairs of a public department or company is entrusted.

SECURED CREDITOR. (Fr. *Créancier assuré*, Ger. *sichergestellter Glaubiger*, Sp. *Acreedor garantizado*, It. *Creditore garantito*.)

A secured creditor is one who holds a security which will cover the amount his debtor owes him. Among these securities may be classed mortgages, deeds, bills of sale, a lien on goods, warrants, delivery orders, stocks and shares, or any other security which can be readily sold in the open market. But the holder of a bill of exchange or a promissory note is not a secured creditor, each of these documents being merely a personal engagement to pay the sum named therein. An exception arises when the drawer of a bill deposits goods or other property with the drawer as cover for the bill. On accepting the bill the drawee acquires a lien or a right over the goods deposited. If the drawee, having become the acceptor, fails before the bill falls due, or dishonours it at maturity, his lien upon the goods is determined and the goods are held at the disposition of the drawer. The same rule holds good where the drawer deposits security with the drawee as cover for the bill, and is then compelled to take it up himself because of the failure of the acceptor, for the drawer is entitled to the return of the securities or that part of them which have not been realised at the time of failure.

It is in cases of bankruptcy or the winding-up of joint-stock companies that the rights of a secured creditor come into prominence. If his security is valuable enough to cover the whole amount of what is owing to him, he cannot be a loser at all; and if it is of less value he is still more favourably placed than the unsecured creditors, who have no claims at all upon the securities deposited, and must rely upon the assets which are in existence after all the securities have been deducted.

There are three courses open to a secured creditor:—

(1) He may rely upon his security and not prove in the bankruptcy.

(2) He may realise his security, and then prove for any balance that may remain owing to him.

(3) He may surrender his security and prove for the whole debt.

As no creditor can receive more than 20*s*. in the £, and such interest as is allowed by the Bankruptcy Act, the security held by a secured creditor must be valued, and the trustee in bankruptcy

can always, within certain limits, buy up the security at a valuation, and will generally do so if he is of opinion that the creditor is improperly depreciating the value of the property which he holds.

SECURITY. (Fr. *Effet, titre, valeur,* Ger. *Sicherheit,* Sp. *Seguridad, titulo, valor,* It. *Garanzia, sicurtà, effetto, titolo.*)

This is a document which gives the holder a right to property not in his possession. Securities include stocks, shares, bonds, dock warrants, bills of lading, insurance policies, and mortgages.

The object of a security is to give a certain right or interest to a creditor, whereby he is able to recover the amount of the debt which is owed to him more easily than by an action at law if the debtor is in default.

Goods may be transferred from one person to another by mere delivery for a consideration or by deed. They may also be safely handed over as a gift, and the property in them will at once vest in the transferee, provided there is no fraud in the transfer, and the gift is not made for the purpose of defeating creditors. And for a debt which is owing a creditor may take an equivalent in the form of goods. Also *choses in action* are assignable by the Judicature Act, 1873.

It is often extremely inconvenient, however, for a business man to divest himself of his goods by handing them over to a creditor absolutely. It may cripple his business, for the goods may form the most valuable part of his capital. It is therefore desirable that the debtor should remain in possession of the goods, and yet be able to borrow money upon the security of them. The lender may very naturally object to advance money and simply stand in the position of an ordinary creditor. He wants some security, that is, some right or interest in the goods made over to him, by which he can be assured that he will not be the loser in any event. This is effected by means of a mortgage, or a bill of sale. The legal ownership is, by such an instrument, conferred upon the lender, and if the borrower or debtor is in default, there arise certain rights which the creditor can exercise without any interference on the part of other ordinary creditors. The holder of such a security is called a "secured creditor," and even in the bankruptcy of the borrower he is in no way hampered by the trustee in the realisation of the value of his security.

Again, the borrower may be willing to part with his goods for a short period, knowing that he has no pressing need of them. This is effected by means of a pledge. Here, however, the property or ownership remains with the debtor, although the possession is transferred to the creditor. But in certain cases the creditor has a right to sell the goods pledged.

If a creditor has in his possession goods lawfully acquired and is entitled to make certain charges for work or labour bestowed upon them or done in connection with them, he can retain the goods until his charges are paid. His security is the "lien" he has upon them.

The securities known as debentures are noticed elsewhere.

As distinguished from a security upon property, the term "personal security" simply indicates the right which one person has to sue another for the recovery of a sum of money which is due, and which the second person has undertaken to pay. A bond is one of the commonest kinds of personal securities.

SEIGNIORAGE or SEIGNORAGE. (Fr. *Seigneuriage,* Ger. *Schlagschatz,* Sp. *Señoreage,* It. *Monetaggio.*)

This is the charge or deduction made by the master of the mint to cover the cost of coining gold and silver for the use of the public. Gold bullion is taken at £3 17*s.* 9*d.* per ounce, whilst an ounce of gold is of the value of £3 17*s.* 10½*d.* The seigniorage is, therefore, 1½*d.* per troy ounce. Silver is taken at its market value, no charge being made for its coining.

SEISIN. (Fr. *Saisine,* Ger. *Besitz (ergreifung),* Sp. *Posesión,* It. *Possesso.*)

Seisin means the occupation or possession of a landed estate.

SEIZURE NOTES. (Fr. *Notes de saisie,* Ger. *Beschlagscheine,* Sp. *Notas de apresión,* It. *Mandati di sequestro.*)

These are used when smuggled goods, liable to duty, or goods bearing fraudulent trade-marks, are seized by the customs. The notes are filled in by the officer seizing the goods, and are left with the goods seized in a Government warehouse, the packages or goods being then marked for identification.

SELLERS OVER. (Fr. *Excès de vendeurs,* Ger. *mehr Angebot als Nachfrage,* Sp. *Vendedores en mayoría,* It. *Eccedenza di venditori.*)

This is a market term, meaning that there are sellers but no buyers, or that there are more sellers than buyers.

SELLING OUT. (Fr. *Vente forcée,* Ger.

Ausverkauf, Sp. *Venta forzada*, It. *Vendita forzata*.)

In most markets, if the purchaser has not taken up his securities from the seller on the due date, the latter can sell out against him, and the buyer is liable for all the expenses the seller may be put to in consequence of such non-fulfilment of contract.

SEMAPHORIC TELEGRAMS. (Fr. *Dépêches sémaphoriques*, Ger. *Sceteleframme*, Sp. *Telegramas del semáforo*, It. *Telegrammi del semaforo*.)

These are telegrams exchanged with ships at sea by means of semaphores established on the various coasts.

SEQUESTRATION. This word may mean:—

1. (Fr. *Séquestre, séquestration*, Ger. *Sequestration*, Sp. *Secuestración*, It. *Sequestro*.)

The placing of any disputed property into the hands of a third person until the dispute is settled.

2. (Fr. *Séquestre, séquestration*, Ger. *sequestrieren*, Sp. *Secuestración*, It. *Sequestrare*.)

The holding of the property of another until the profits pay the demands upon it.

3. (Fr. *Séquestre, séquestration*, Ger. *Beschlag*, Sp. *Secuestración*, It. *Sequestro, presa di possesso*.)

The taking possession of the estate of a bankrupt in order to distribute it among his creditors.

SEQUESTRATOR. (Fr. *Séquestre*, Ger. *Sequester, Liquidator*, Sp. *Secuestrador*, It. *Sequestratore*.)

This is the person to whom property is entrusted during a dispute.

SERVANT. (See *Master and Servant*.)

SET OF BILLS. (Fr. *Série de lettres de change*, Ger. *Wechselbrief im duplikat (im triplikat)*, Sp. *Serie de letras en duplicado (en triplicado)*, It. *Cambiali in duplicato (in triplicato)*.

Bills of lading are drawn in parts, sometimes two, sometimes three. The whole form which is called a set of bills.

SET OFF. (Fr. *Compensation, Reconvention*, Ger. *Aufrechnung, Gegenforderung*, Sp. *Compensación*, It. *Compenso, compensazione*.)

This is a defence set up by a person (in an action) upon whom some demand is made. It only arises in respect of mutual debts of a certain definite character, and the two debts must be due in the same right and between the same parties.

A set off is often spoken of and treated as though it were the same thing as a counter-claim. But this is not so. A set off is a statutory defence to an action; a counter-claim is a cross-action. The distinction is of importance in cases of debts in bankruptcy and in the winding-up of companies, and it also affects the costs in an action.

Any defence of this kind, whether a set off or a counter-claim, must be specially pleaded, and in a county court five days' notice must be given of the intention of the defendant to rely upon the same.

SETTLEMENT. This may be:—

1. (Fr. *Règlement de compte*, Ger. *Ausgleichung*, Sp. *Pago de saldo*, It. *Accomodamento, accordo, liquidazione*.)

The payment of an account or claim. The name is given specially to the periodic liquidation of accounts on the Stock Exchange.

2. (Fr. *Douaire*, Ger. *Versorgung*, Sp. *Dotación*, It. *Dote*.)

The sum of money settled upon a woman at her marriage, with the object of making provision for her and the children of the marriage.

Where either of the parties to a contemplated marriage has, or is likely to have, any property of value, it is customary for a settlement to be made. By so doing the property comprised in the settlement is tied up for a certain period, and as marriage is a valuable consideration the settlement is good against the creditors of the parties, unless it is proved that the settlement is part of a fraudulent transaction.

If the settlement is made after marriage, what is called a post-nuptial settlement, the usual rule holds good as to settlements generally, viz., that all such settlements which are made within two years of the bankruptcy of the party providing the property settled, are absolutely void, and that settlements made within ten years of the bankruptcy are voidable and will be declared void unless it is shown that the estate of the bankrupt was sufficient to pay the whole of his liabilities at the time of the making of the settlement, without including any of the property so settled.

There are two kinds of settlement, viz., strict settlements, which are only applicable to real property, and the use of which is practically confined to the owners of large landed estates, and settlements by way of trust, which apply to both real and personal property.

The general scheme of a strict settlement is to give an estate for life to the husband, subject to the payment of an annual sum to the wife, known as

"pin-money." Further provision is then made for an increased allowance to the wife after the death of her husband, in case she survives him. This provision is known as the wife's "jointure." After these the estate is given to the first and other sons of the marriage severally and successively in tail, with remainder to the daughters in tail, sometimes severally and successively like the sons, sometimes in common so as to divide the estate. There are, in addition, various powers given to the tenants in tail to raise sums for their own benefit, and to make settlements on marriage, and for the husband and the wife to charge certain sums for the portions of younger children. The powers given will depend to a great extent upon the source from which the property settled comes.

The general scheme of a settlement by way of trust is as follows. The property to be settled, whether coming from the husband or the wife, is conveyed to trustees, who are directed to hold it on these trusts: (1) to sell the property held in trust, if necessary; (2) to invest the proceeds of such sale in certain classes of securities; (3) to pay the income arising out of the husband's contribution to him for life, and after his death, to the wife for life if she survives him; (4) to pay the income arising out of the wife's contribution to her for life, without power of anticipation, and after her death to the husband for life, if he survives her; (5) after the death of the husband and the wife to pay the capital to the children in such shares as the parents by deed, or the survivor of them by deed or by will appoints, otherwise equally amongst the children. It is generally stipulated that if there are no children, the property brought into the settlement by the husband shall go to his representatives, and that brought by the wife to her family, unless she otherwise appoints, such appointment, if made in the lifetime of the husband, being by will only. Since a will is revocable, a husband cannot thus get control over the property of his wife during her lifetime, even if she wishes to give it to him. A settlement generally contains powers for the parents, or the survivor of them, to take a certain portion of the capital of the settlement fund for the advancement or benefit of the children, and the law implies provisions for their maintenance and education during minority if the parents die whilst the children are under age.

A party to a contract, to make it absolutely binding, must not be a minor. There is an exception made in the case of marriage settlements. By the Infants' Settlement Act, 1855, infants not being under twenty if males, or seventeen if females, can, with the approbation of the court, make binding settlements of their real and personal estate in possession or otherwise on their marriage. The court may, under the same Act, direct a settlement of an infant's property after marriage, but it has no power to compel a ward of court to make a settlement.

As to the avoidance of settlements in bankruptcy, see *Bankruptcy.*

Settlement Estate Duty. — When the property of a deceased person, upon which estate duty is chargeable, is settled by the will of the deceased, or has been settled by some other disposition, and passes to some person who has not the power of disposing of the same, a further estate duty, called the settlement estate duty, is levied upon the principal value of the settled property at the rate of two per cent. An exception is made, however, in the case of property where the only life interest, after the death of the deceased, is that of the husband or wife of the deceased. This duty is payable once only during the continuance of the settlement. (See *Estate Duty.*)

SETTLING DAY. (Fr. *Jour de règlement, jour de liquidation*, Ger. *Stich-* or *Zahltag*, Sp. *Día de liquidación*, It. *Giorno di liquidazione.*)

This is the third or last day of what is called the settlement upon the Stock Exchange, when all differences are paid and received, securities delivered and money obtained.

SHARE BROKERS. (Fr. *Courtiers d'actions*, Ger. *Aktienmakler*, Sp. *Agentes de cambio*, It. *Mediatori di azioni, borsisti.*)

These are the persons who arrange the dealings in railway or other shares between buyers and sellers.

SHARE CERTIFICATES. (Fr. *Actions, titres définitifs*, Ger. *Aktiencertifikate*, Sp. *Certificados de títulos*, It. *Certificati di azioni.*)

These are documents issued by a public company to its shareholders, showing that the persons named therein are the holders of so many shares in the company. The numbers of the shares and the amount paid up are stated, and the certificates are under the common seal of the company.

The form of a share certificate is commonly as follows:—

"The C. D. Company, Limited.

This is to certify that A. B. is a registered holder of m shares of £n each, numbered p to q inclusive, in the above-named company, and that the sum of £x has been paid up on each of the said shares. Given under the common seal of the said company this 1st *day of January,* ——."

A share certificate is *primâ facie* evidence of the title of a member to the share or stock comprised therein, and its issue is intended to facilitate dealings in the open market. It is, in fact, the proper, and the only, documentary evidence of title in the possession of a shareholder. It is necessary, therefore, that the directors of a company should exercise extreme care and caution in the issue of certificates, for if loss is incurred through any negligence or inadvertence, the company will, as a rule, be estopped from denying the accuracy of the statements set forth them to a person who has acted *bonâ fide* and in reliance upon such statements. Until after the passing of the Companies Act, 1907, there was nothing to compel a company to issue share certificates, although it was the invariable practice to do so. Joint-stock companies must now have share certificates—as well as debenture certificates—ready for delivery within two months after the allotment or registration of transfer. (See section 92 of the Companies (Consolidation) Act, 1908.)

The following are examples of estoppel taken from modern cases. A company, acting upon a forged transfer, which purported to be a transfer by A., a shareholder to B., issued a certificate to B., representing him to be the owner of the shares. Relying upon this certificate, a third person, C., purchased in good faith, and paid for, the shares specified in the certificate, and was in due course registered as the owner of them. Subsequently it was discovered that the first transfer was a forgery. Not only were the company compelled to restore the name of A. to the register, since his title could not be displaced by a forgery, but it was held that C. was entitled to damages for the removal of his name. The issue of the share certificate to B. was an estoppel binding them; they could not set up a defence that B. had no real title to the shares. In another case, A. bought shares on the faith of a certificate representing B. as the holder, and took a transfer from B. accordingly. The company had, in fact, issued the certificate to B. in pursuance of a forged transfer. They refused to register A. as the holder of the shares. It was held by the court that since A. had acted upon the faith of the certificate issued he was entitled to damages for the refusal to register, and that the measure of the damages was the value of the shares at the time of the refusal to register. In a third case a company issued a share certificate describing the shares named therein as being fully paid up, when in fact they were only partially paid up. It was held that a purchaser of the shares, who had relied upon the certificate, was entitled to assume that the shares were fully paid up, and that no further liability attached to him.

A share certificate requires no stamp, although it is a document under the seal of the company. But a scrip certificate or other document entitling a person to become the proprietor of any share of a company needs a penny impressed stamp.

If a certificate is lost, it is generally provided by the articles of association that a new certificate shall be granted on a proper indemnity being given by the shareholder.

A valid equitable mortgage of shares or stock may be effected by the deposit of the share certificate relating to the same.

SHARE WARRANT. (Fr. *Coupon d'actions, certificat d'actions*, Ger. *Aktiencertificat, Aktienkupon*, Sp. *Cupón de acciones, cédula de acciones*, It. *Cuponi di azioni, certificiti di azioni.*)

A share warrant is a certificate issued by a joint-stock company stating that the bearer is entitled to the shares specified. Such a warrant can be passed from hand to hand without any transfer being executed.

SHAREHOLDERS. (Fr. *Actionnaires*, Ger. *Aktionare*, Sp. *Accionistas*, It. *Azionisti.*)

These are the persons who have shares in a joint fund or property.

SHARES. (Fr. *Actions*, Ger. *Aktien*, Sp. *Acciones*, It. *Azioni, quote.*)

This is the name given to the equal portions of the capital of a joint-stock company. (See *Companies.*)

SHILLING. (Fr. *Schelling*, Ger. *Schilling*, Sp. *Chelin, moneda inglesa*, It. *Scellino.*)

This is an English silver coin, equal to the twentieth part of a sovereign or pound.

SHIP. (See *British Ship.*)

SHIPBROKERS. (Fr. *Courtiers maritimes*, Ger. *Schiffsmakler*, Sp. *Corredores marítimos*, It. *Sensali marittimi, agenti marittimi.*)

These are agents—persons or firms—in a seaport appointed by shipowners to carry out and perform all the necessary transactions connected with the business of their vessels whilst they are in harbour, such as entering and clearing the vessels, collecting freights, chartering new freights, etc.

SHIP CANALS. (Fr. *Canaux navigables*, Ger. *Schiffahrtskanale*, Sp. *Canales de navegación*, It. *Canali navigabili.*)

These are the canals which are made wide and deep enough to admit of the passage of large sea-going ships. Such are the Suez Canal, the Kiel Canal, and the Manchester Ship Canal.

SHIP CHANDLERS. (Fr. *Entrepreneurs de marine, fournisseurs de navires*, Ger. *Schiffslieferanten*, Sp. *Almacenistas de objetos navales*, It. *Fornitori di marina.*)

These are dealers in cordage, canvas, and other ship-furniture.

SHIP-LETTER. (Fr. *Exprès*, Ger. *Schiffsbrief*, Sp. *Vapor correo*, It. *Espresso marittimo.*)

This is a letter forwarded by a private vessel, and not by one chartered by the Government to carry the royal mails.

SHIP-LOAD. (Fr. *Chargement, cargaison*, Ger. *Schiffsladung*, Sp. *Carga*, It. *Carico della nave.*)

This word means the cargo of a ship.

SHIP-MASTER. (Fr. *Capitaine marchand, patron de navire*, Ger. *Kapitän*, Sp. *Capitán*, It. *Capitano di bastimento mercantile.*)

This is another name for the captain of a merchant ship.

He must be a properly qualified person, according to sections 92-94 of the Merchant Shipping Act, 1894. His general duties include the provision of a competent crew and adequate equipment, due navigation and proper management of the ship, and every care of the interests of the owners. He must keep an official log and take charge of the ship's papers, all of which must be presented for inspection on a proper demand being made. He is invested with special disciplinary powers over all persons on board.

His duties, as far as the cargo is concerned, are to take it in as quickly as possible, to store it properly, and to sign the bills of lading for the goods which he has received on board.

Among his special powers as to the ship and the cargo are the transhipment of goods without risking the loss of freight, jettison, and the authority to bind the shipowner by bottomry and respondentia.

SHIP MORTGAGE. (See *Mortgage (Shipping.)*)

SHIPMENT. (Fr. *Embarquement, chargement, expédition*, Ger. *Ladung, Verschiffung*, Sp. *Embarque*, It. *Imbarco, carico, spedizione.*)

This is the act of putting goods on board a ship, and also the name given to the goods themselves, when the property of the goods rests with the consignee.

SHIPOWNERS. (Fr. *Armateurs*, Ger. *Schiffseigentümer*, Sp. *Armadores*, It. *Armatori.*)

These are the persons who own ships.

SHIPPERS. (Fr. *Expéditeurs, chargeurs*, Ger. *Verlader*, Sp. *Embarcadores, exportadores*, It. *Speditori, caricatori.*)

These are persons who place goods on board ships for transportation abroad.

SHIPPING BILLS. These are either:—

1. (Fr. *Notes de drawback*, Ger. *Zollfreischeine*, Sp. *Notas de drawback*, It. *Note di drawback o dazio di ritorno.*)

Customs documents used in cases where drawback is claimed upon dutiable goods transhipped either for re-export or for use on board during a voyage.

2. (Fr. *Listes navales*, Ger. *Schiffslisten*, Sp. *Manifestos de embarque*, It. *Bollettini marittimi.*)

Documents giving particulars of the goods and the exporting vessel, used chiefly for statistical purposes.

SHIPPING CARDS. (Fr. *Bulletins des bâtiments en chargement*, Ger. *Verschiffungskarten*, Sp. *Lista de buques á cargar*, It. *Bollettini o listini dei bastimenti pronti per il carico.*)

These are cards issued by shipbrokers to their customers, giving particulars of the ship, or ships, they are about to load, the loading berth, date of departure, etc.

SHIPPING NOTES. (Fr. *Notes d'expédition*, Ger. *Schiffszettel*, Sp. *Vales de buque*, It. *Note d'imbarco e ricevute di spedizione.*)

These are documents which are addressed to the superintendent of the dock where a ship is lying, requesting that functionary to receive and ship certain goods named therein.

SHIPPING SPECIFICATION. (Fr. *Spécification d'embarquement*, Ger. *Verschiffungsspezifikation*, Sp. *Especificación de embarque*, It. *Specificazione d'imbarco.*)

This is a form sent to the Customs officials giving details as to goods shipped.

SHIPPING WEIGHT. (Fr. *Poids de la cargaison*, Ger. *Verschiffungsgewicht*, Sp. *Peso de cargamento*, It. *Peso del carico a bordo.*)

Shipping weight is the asserted weight of goods on their being put on board ship.

SHIP'S ARTICLES. (Fr. *Contrats d'engagement*, Ger. *Heuervertrag*, Sp. *Articulos de buque*, It. *Contratto di arruolamento.*)

This is the name given to the agreement entered into between the master and the crew of a vessel, setting out the terms of the contract entered into by the parties as to wages, provisions, etc. Each member of the crew must sign the articles before the commencement of the voyage.

SHIP'S CERTIFICATE OF REGISTRY. (Fr. *Certificat de registration navale*, Ger. *Schiffspapiere*, Sp. *Abanderamiento de buque*, It. *Certificato di registrazione navale o atto di nazionalità.*)

This is the certificate granted by the registrar on the completion of all the preliminaries required on the registration of a vessel. It gives the name, the build, and the tonnage of the ship, the names of the owner and the master, and it proves the nationality of the vessel.

As to the particulars required before a vessel can be registered as a British ship, see *British Ship*.

SHIP'S CLEARANCE INWARDS. (Fr. *Acquit*, Ger. *Klarierung*, Sp. *Despacho de Aduana*, It. *Lascia passare della dogana, bastimento sdoganato.*)

Upon the arrival of a vessel in port the master reports his ship, cargo, and crew at the Custom House, and, on payment of tonnage dues, permission is given for him to unload. When the unloading is completed, and the ship has been rummaged, a certificate of clearance inwards is given.

SHIP'S CLEARANCE OUTWARDS. (Fr. *Congé*, Ger. *Verzollung*, Sp. *Permiso de salida*, It. *Permesso di partenza.*)

When a vessel has taken her cargo on board, the outward-bound ship must obtain permission from the Custom House before she can be permitted to sail. Permission is only given when a full account of her cargo has been made and duty paid. This is called clearance outwards.

SHIP'S HUSBAND. (Fr. *Gérant à bord*, Ger. *Korrespondenzreeder*, *Verfrachter*, Sp. *Consignatario del vapor*, It. *Gerente navale, amministratore navale.*)

This is an agent appointed by the owners or part-owners of a ship, who looks after the requisite repairs and fittings of the ship, provides stores or assistance when in port, and attends to her general welfare.

SHIP'S MANIFEST. (Fr. *Manifeste*, Ger. *Manifest*, Sp. *Manificsto del buque*, It. *Manifesto navale.*)

This is a document giving a formal statement, for the use of the customs' authorities, of the ship, her cargo, and the names of the ports to which she is going.

SHIP'S PAPERS. (Fr. *Papiers de bord, papiers de navire*, Ger. *Schiffspapiere*, Sp. *Documentación del buque*, It. *Atti e documenti di bordo.*)

These consist of the ship's certificate of registry, the manifest, the muster roll or articles, the charter-party and the bills of lading, the bill of health, and the log book.

It is of the utmost importance that these papers should be regular, complete, and in order, because international law requires that every merchantman shall carry a certain number of documents as evidence of her nationality and as proof of the real nature and destination of her cargo. This is especially so during the occurrence of hostilities when the ship does not belong to one of the belligerent nations.

Lawrence, in his *Principles of International Law*, says: "The exact form and number of these papers differ according to the law of the various maritime countries, but they must always be sufficient to fix the nationality of the ship, her destination, and the ownership of the vessel and cargo. A list of the papers required by the law of each civilised state will be found in manuals of Prize Law, issued by the naval authorities of the chief maritime nations, and in some of the large works on international law. The absence of papers will justify detention by a belligerent cruiser, as will also the presence of false papers, or gross irregularities, omissions, or inconsistencies in the papers produced. What is technically called spoliation of papers has given rise to a difference of treatment among the prize courts of the leading naval powers. The phrase signifies the wilful destruction of documents by throwing them overboard during a chase, or by any other means. The British and American practice is to regard it as good ground for the capture of the vessel, but not necessarily good ground for condemnation. It affords a strong presumption of her guilt, but not

a presumption which cannot be rebutted by evidence to the contrary."

SHIP'S PASSPORT. (Fr. *Permis de navigation*, Ger. *Schiffspass*, Sp. *Pase de vapor*, It. *Passaporto marittimo, permesso di navigazione.*)

This is a document given to the captain of a neutral ship in time of war, as his authority to proceed on a voyage, and also to prove the vessel's nationality. The document contains a full description of the vessel, her cargo and crew, the names of the captain and owner, her place of lading, port of registry, and the port of destination.

SHIP'S PROTEST. (Fr. *Déclaration, requête*, Ger. *Seeprotest, Verklarung*, Sp. *Protesta maritima*, It. *Protesta marittima comprovante il sinistro.*)

This is a solemn declaration made upon oath before a notary public, giving the particulars of the cause of any injury to the vessel, or damage to her cargo, for the satisfaction of the underwriters. Underwriters sometimes demand this document before adjusting a claim against them, and it then devolves upon the insured to obtain and to exhibit it.

SHIP'S REPORT. (Fr. *Mémento maritime*, Ger. *Schiffsbericht*, Sp. *Presentación á la aduana*, It. *Relazione del capitano.*)

The master of every ship, whether laden or in ballast, must, within twenty-four hours after arrival from ports beyond the seas at any port in the United Kingdom, report his ship and answer all questions relating to the ship, cargo, or crew on a prescribed form.

SHIP'S STORE BOND. (Fr. *Contrat particulier de douane*, Ger. *Schiffsbedarfschein*, Sp. *Contrato particular del capitán*, It. *Contratto particolare di dogana per le vettovaglie a bordo.*)

This is a bond given to the customs by the master or owner of a vessel when dutiable articles are to be shipped as stores for use on the voyage.

SHIP'S STORES. (Fr. *Vivres soumis aux droits*, Ger. *Schiffsbedarf*, Sp. *Víveres sujetos á impuesto*, It. *Viveri di bordo, provviste di bordo.*)

These are the provisions necessary for victualling a ship. As a distinct term used by the customs, the meaning is confined to those articles on board which are liable to duty, such as wines, spirits, and tobacco, for which special regulations are made.

SHOPS ACTS, 1912 and 1913. Various Acts of Parliament were passed between 1892 and 1911 regulating the hours of closing, service, etc., of shop assistants, and it was thought that the Act of 1911 would effect great changes. Owing to the pressure of Parliamentary business, however, it could not receive adequate attention, and consequently all the Acts dealing with the particular matters affecting shops and shop assistants were repealed in 1912 when the new Act came into force. This Act of 1912 was amended by an additional Act which was passed in 1913.

It is unnecessary to do more than quote the more important sections of the two Acts, leaving out altogether matters of procedure. There are certain modifications to be observed in applying the Acts to Scotland and Ireland.

Under the Act of 1912

1.—(1) On at least one week day in each week a shop assistant shall not be employed about the business of a shop after half-past one o'clock in the afternoon:

Provided that this provision shall not apply to the week preceding a bank holiday if the shop assistant is not employed on the bank holiday, and if on one week day in the following week in addition to the bank holiday the employment of the shop assistant ceases not later than half-past one o'clock in the afternoon.

(2) The occupier of a shop shall fix, and shall specify in a notice in the prescribed form, which must be affixed in the shop in such manner and at such time as may be prescribed, the day of the week on which his shop assistants are not employed after half-past one o'clock, and may fix different days for different shop assistants.

(3) Intervals for meals shall be allowed to each shop assistant in accordance with the First Schedule to this Act:

Provided that this provision shall not apply to a shop if the only persons employed as shop assistants are members of the family of the occupier of the shop, maintained by him and dwelling in his house.

Penalties are provided for a contravention of any of the orders entered in the Act.

2.—(1) No person under the age of eighteen years (in this Act referred to as a "young person") shall be employed in or about a shop for a longer period than seventy-four hours, including meal times, in any one week.

(2) No young person shall, to the knowledge of the occupier of the shop, be employed in or about a shop—

(*a*) having been previously on the same day employed in any factory or workshop, as defined by the Factory and Workshop Act, 1901, for the number of hours permitted by that Act; or

(*b*) for a longer period than will, together with the time during which he has been previously employed on the same day in a factory or workshop, complete such number of hours as aforesaid.

(3) In every shop in which a young person is employed a notice shall be kept exhibited by the occupier of the shop in a conspicuous place referring to the provisions of this section and stating the number of hours in the week during which a young person may lawfully be employed in or about the shop. . . .

(5) This section shall apply to wholesale shops, and to warehouses in which assistants are employed for hire, in like manner as if they were shops within the meaning of this Act, and the provisions of sections thirteen and fourteen of this Act, shall for the purposes of the enforcement of this section, be construed accordingly.

(6) This section shall not apply to any person wholly employed as a domestic servant.

3.—(1) In all rooms of a shop where female shop-assistants are employed in the serving of customers, the occupier of the shop shall provide seats behind the counter, or in such other position as may be suitable for the purpose, and such seats shall be in the proportion of not less than one seat to every three female shop assistants employed in each room.

4.—(1) Every shop shall, save as otherwise provided by this Act, be closed for the serving of customers not later than one o'clock in the afternoon on one week day in every week.

(2) The local authority may, by order, fix the day on which a shop is to be closed (in this Act referred to as "the weekly half-holiday"), and any such order may either fix the same day for all shops, or may fix—

(*a*) different days for different classes of shops; or

(*b*) different days for different parts of the district; or

(*c*) different days for different periods of the year:

Provided that—

(i) where the day fixed is a day other than Saturday, the order shall provide for enabling Saturday to be substituted for such other day; and

(ii) where the day fixed is Saturday, the order shall provide for enabling some other day specified in the order to be substituted for Saturday;

as respects any shop in which notice to that effect is affixed by the occupier, and that no such order shall be made unless the local authority, after making such inquiry as may be prescribed, are satisfied that the occupiers of a majority of each of the several classes of shops affected by the order approve the order.

(3) Unless and until such an order is made affecting a shop, the weekly half-holiday as respects the shop shall be such day as the occupier may specify in a notice affixed in the shop, but it shall not be lawful for the occupier of the shop to change the day oftener than once in any period of three months.

(4) Where the local authority have reason to believe that a majority of the occupiers of shops of any particular class in any area are in favour of being exempted from the provisions of this section, either wholly or by fixing as the closing hour instead of one o'clock some other hour not later than two o'clock, the local authority, unless they consider that the area in question is unreasonably small, shall take steps to ascertain the wishes of such occupiers, and, if they are satisfied that a majority of the occupiers of such shops are in favour of the exemption, or, in the case of a vote being taken, that at least one-half of the votes recorded by the occupiers of shops within the area of the class in question are in favour of the exemption, the local authority shall make an order exempting the shops of that class within the area from the provisions of this section either wholly or to such extent as aforesaid.

(5) Where a shop is closed during the whole day on the occasion of a bank holiday, and that day is not the day fixed for the weekly half-holiday, it shall be lawful for the occupier of the shop to keep the shop open for the serving of customers after the hour at which it is required under this section to be closed either on the half-holiday immediately preceding, or on the half-holiday immediately succeeding, the bank holiday.

(6) This section shall not apply to any shop in which the only trade or business carried on is trade or business of any of the classes mentioned in the Second Schedule to this Act, but the local

authority may, by order made and revocable in the manner hereinafter provided with respect to closing orders, extend the provisions of this section to shops of any class exempted under this provision if satisfied that the occupiers of at least two-thirds of the shops of that class approve the order.

(7) (Penalty Clause.)

(8) Nothing in this section shall prevent customers from being served at a time when the shop in which they are sold is required to be closed with victuals, stores, or other necessaries for a ship, on her arrival at or immediately before her departure from a port.

5.—(1) An order (in this Act referred to as "a closing order") made by a local authority, and confirmed by the Secretary of State in manner provided by this Act, may fix the hours on the several days of the week at which, either throughout the area of the local authority or in any specified part thereof, all shops or shops of any specified class are to be closed for serving customers.

(2) The hour fixed by a closing order (in this Act referred to as "the closing hour") shall not be earlier than seven o'clock in the evening on any day of the week.

(3) The order may—

(a) define the shops and trades to which the order applies; and

(b) authorise sales after the closing hour in cases of emergency and in such other circumstances as may be specified or indicated in the order; and

(c) contain any incidental, supplemental, or consequential provisions which may appear necessary or proper.

(4) Nothing in a closing order shall apply to any shop in which the only trade or business carried on is trade or business of any of the classes mentioned in the Third Schedule to this Act. . .

7.—(1) Where it appears to the Secretary of State, on the representation of the local authority or a joint representation from a substantial number of occupiers of shops and shop assistants in the area of the local authority, that it is expedient to ascertain the extent to which there is a demand for early closing in any locality, and to promote and facilitate the making of a closing order therein, the Secretary of State may appoint a competent person to hold a local inquiry.

(2) If, after holding such an inquiry and conferring with the local authority, it appears to the person holding the inquiry that it is expedient that a closing order should be made, he shall prepare a draft order and submit it to the Secretary of State together with his report thereon.

(3) If the Secretary of State, after considering the draft order and report, and any representations which the local authority may have made in respect thereof, is of opinion that it is desirable that a closing order should be made, he may communicate his decision to the local authority, and thereupon there shall be deemed to be a *primâ facie* case for making a closing order in accordance with the terms of the draft order, subject to such modifications (if any) as the Secretary of State may think fit.

(4) The person who held the inquiry shall, if so directed by the Secretary of State on the application of the local authority, assist and co-operate with the local authority in taking the steps preliminary to making the order.

8.—The Secretary of State may, at any time on the application of the local authority, revoke a closing order either absolutely or so far as it affects any particular class of shops, and, if at any time it is made to appear to the satisfaction of the local authority that the occupiers of a majority of any class of shops to which a closing order applies are opposed to the continuance of the order, the local authority shall apply to the Secretary of State to revoke the order in so far as it affects that class of shops, but any such revocation shall be without prejudice to the making of any new closing order

9.—It shall not be lawful in any locality to carry on in any place not being a shop retail trade or business of any class at any time when it would be unlawful in that locality to keep a shop open for the purposes of retail or business of that class, and, if any person carries on any trade or business in contravention of this section, this Act shall apply as if he were the occupier of a shop and the shop were being kept open in contravention of this Act

Provided that—

(a) the prohibition imposed by this section shall, as respects any day other than the weekly half-holiday, be subject to such exemptions and conditions (if any) as may be contained in closing orders; and

(b) nothing in this section shall be construed as preventing a barber or hairdresser from attending a customer in the customer's residence, or the

holding of an auction sale of private effects in a private dwelling-house; and

(c) nothing in this section shall apply to the sale of newspapers.

10.—(1) Where several trades or businesses are carried on in the same shop, and any of those trades or businesses is of such a nature that, if it were the only trade or business carried on in the shop, the shop would be exempt from the obligation to be closed on the weekly half-holiday, the exemption shall apply to the shop so far as the carrying on of that trade or business is concerned, subject, however, to such conditions as may be prescribed.

(2) Where several trades and businesses are carried on in the same shop and any of those trades or businesses are of such a nature that if they were the only trades or businesses carried on in the shop a closing order would not apply to the shop, the shop may be kept open after the closing hour for the purposes of those trades and businesses alone, but on such terms and under such conditions as may be specified in the order.

(3) Where several trades or businesses are carried on in the same shop, the local authority may require the occupier of the shop to specify which trade or business he considers to be his principal trade or business, and no trade or business other than that so specified shall, for the purpose of determining a majority under this Act, be considered as carried on in the shop unless the occupier of the shop satisfies the local authority that it forms a substantial part of the business carried on in the shop.

11.—(1) In places frequented as holiday resorts during certain seasons of the year the local authority may by order suspend, for such period or periods as may be specified in the order, not exceeding in the aggregate four months in any year, the obligation imposed by this Act to close shops on the weekly half-holiday.

(2) Where the occupier of any shop in any place in which any such order of suspension is in force satisfies the local authority that it is the practice to allow all his shop assistants a holiday on full pay of not less than two weeks in every year, and keeps affixed in his shop a notice to that effect, the requirement that on one day in each week a shop assistant shall not be employed after half-past one o'clock shall not apply to the shop during such period or periods as aforesaid.

12.—(1) Where Post Office business is carried on in any shop in addition to any other business, this Act shall apply to that shop subject to the following modifications:—

(a) If the shop is a telegraph office, the obligation to close on the weekly half-holiday shall not apply to the shop so far as relates to the transaction of Post Office business thereat:

(b) Where the Postmaster-General certifies that the exigencies of the postal service require that Post Office business should be transacted in any such shop at times when under the provisions of this Act relating to the weekly half-holiday the shop would be required to be closed, or under conditions not authorised by section one of this Act, the shop shall, for the purpose of the transaction of Post Office business be exempted from the provisions of this Act to such extent as the Postmaster-General may certify to be necessary for the purpose:

Provided that in such cases the Postmaster-General shall make the best arrangements that the exigencies of the postal service allow with a view to the conditions of employment of the persons employed being on the whole not less favourable than those secured by this Act:

(c) The provisions contained in any closing order imposing terms or conditions on the keeping open of any such shop after the closing hour for the transaction of Post Office business shall be subject to the approval of the Postmaster-General.

(2) Save as aforesaid, nothing in this Act shall apply to Post Office business, or to any premises in which Post Office business is transacted. . .

19.—(1) In this Act—

The expression "shop" includes any premises where any retail trade or business is carried on;

The expression "retail trade or business" includes the business of a barber or hairdresser, the sale of refreshments or intoxicating liquors, and retail sales by auction, but does not include the sale of programmes and catalogues and other similar sales at theatres and places of amusement;

The expression "shop assistant" means any person wholly or mainly employed in a shop in connection with the serving of customers or the receipt of orders or the despatch of goods;

The expression "Bank holiday" includes any public holiday or day of public rejoicing or mourning;
The expression "week" means the period between midnight on Saturday night and midnight on the succeeding Saturday night.

(2) Nothing in this Act shall apply to any fair lawfully held or any bazaar or sale of work for charitable or other purposes from which no private profit is derived.

SCHEDULES.

FIRST SCHEDULE.

Intervals for Meals.

Intervals for meals shall be arranged so as to secure that no person shall be employed for more than six hours without an interval of at least twenty minutes being allowed during the course thereof.

Without prejudice to the foregoing provision—

(1) where the hours of employment include the hours from 11.30 a.m. to 2.30 p.m., an interval of not less than three-quarters of an hour shall be allowed between those hours for dinner; and

(2) where the hours of employment include the hours from 4 p.m. to 7 p.m., an interval of not less than half an hour shall be allowed between those hours for tea;

and the interval for dinner shall be increased to one hour in cases where that meal is not taken in the shop, or in a building of which the shop forms part or to which the shop is attached:

Provided that an assistant employed in the sale of refreshments or in the sale by retail of intoxicating liquors need not be allowed the interval for dinner between 11.30 a.m. and 2.30 p.m., if he is allowed the same interval so arranged as either to end not earlier than 11.30 a.m. or to commence not later than 2.30 p.m., and the same exemption shall apply to assistants employed in any shop on the market day in any town in which a market is held not oftener than once a week, or on a day on which an annual fair is held.

SECOND SCHEDULE.

Trades and Businesses exempted from the Provisions as to Weekly Half-Holiday.

The sale by retail of intoxicating liquors.

The sale of refreshments, including the business carried on at a railway refreshment room.

The sale of motor, cycle, and air-craft supplies and accessories to travellers.

The sale of newspapers and periodicals.

The sale of meat, fish, milk, cream, bread, confectionery, fruit, vegetables, flowers, and other articles of a perishable nature.

The sale of tobacco and smokers' requisites.

The business carried on at a railway bookstall on or adjoining a railway platform.

The sale of medicines and medical and surgical appliances.

Retail trade carried on at an exhibition or show, if the local authority certify that such retail trade is subsidiary or ancillary only to the main purpose of the exhibition or show.

THIRD SCHEDULE.

Trades and Businesses exempted from Provisions of Closing Orders.

The sale by retail of intoxicating liquors.

The sale of refreshments for consumption on the premises.

The business carried on at a railway refreshment room.

The sale of newspapers.

The sale of tobacco and smokers' requisites.

The business carried on at a railway bookstall.

The sale of medicines and medical and surgical appliances.

Post Office business.

The amending Act of 1913 provides as follows:—

1.—(1) The provisions of section one of the Shops Act, 1912, shall not apply to shop assistants employed in any premises for the sale of refreshments, whether licensed for the sale of intoxicating liquor or not, if their employment is wholly or mainly in connection with the sale of intoxicating liquors or refreshments for consumption on the premises, and if the occupier of the premises, by such a notice as is hereinafter mentioned, signifies that he elects that instead of those provisions the following provisions shall apply:—

(a) No such assistant shall be employed for more than sixty-five hours in any week exclusive of meal times.

(b) Provision shall be made for securing to every such assistant—

(i) thirty-two whole holidays on a week day in every year, of which at least two shall be given within the currency of each month and which shall comprise

a holiday on full pay of not less than six consecutive days;

(ii) twenty-six whole holidays on Sunday in every year, so distributed that at least one out of every three consecutive Sundays shall be a whole holiday:

Provided that two half-holidays on a week day shall be deemed equivalent to one whole holiday on a week day.

(*c*) Intervals for meals shall be allowed to every such assistant amounting on a half-holiday to not less than three-quarters of an hour, and on every other day to not less than two hours, and no assistant shall be employed for more than six hours without being allowed an interval of at least half an hour:

Provided that this provision shall not apply if the only persons employed as such shop assistants are members of the family of the occupier of the premises maintained by him and dwelling in his house.

(*d*) The occupier shall affix and constantly maintain in a conspicuous position in the premises a notice in the prescribed form referring to the provisions of this section, and stating the steps taken with a view to compliance therewith.

(2) Where the occupier of any premises has signified as aforesaid that he elects that the foregoing provisions shall apply, and any of those provisions are not complied with, the occupier of the premises shall be guilty of an offence against the Shops Act, 1912, and shall be liable to a fine not exceeding –

(*a*) in the case of a first offence, one pound;

(*b*) in the case of a second offence, five pounds; and

(*c*) in the case of a third or subsequent offence, ten pounds.

(3) For the purposes of this section, the expression "half-holiday" means a day on which the employment of an assistant ceases not later than three o'clock in the afternoon and on which he is not employed for more than six hours including meal-time.

(4) A notice under this section may be withdrawn by the occupier of the shop at the expiration of a year from the date when it was given, and thereafter at the expiration of any succeeding year, and upon any such withdrawal section one of the Shops Act, 1912, shall apply to the shop in like manner as before the notice was given.

(5) The Shops Act, 1912, as amended by this Act, shall, in its application to any premises in respect to which a notice under this section is in force, have effect as though the definition of "shop assistant" included all persons wholly or mainly employed in any capacity at the premises in connection with the business there carried on.

A memorandum has been issued by the Home Office as to the law relating to shops, and every shopkeeper or other person interested ought to procure a copy. It can be purchased at the price of one halfpenny from Messrs Wyman & Sons, Ltd., Fetter Lane, E.C.

SHORT BILLS. (Fr. *Billets à courte échéance*, Ger. *kurzsichtige Wechsel*, Sp. *Letras á corta fecha*, It. *Cambiali a breve scadenza.*)

These are bills, so classified and named by bankers, which have less than ten days to run; and the name is also applied to demand and sight-bills and to bills drawn for any period when within ten days of maturity.

Bills are often paid into a bank for the purpose of collection just before they become due, and it is a custom of bankers to "enter them short," that is, not to credit them at once to the customer, but to wait until they are paid.

Short bills, in the event of the bankruptcy of the banker between their deposit and maturity, do not pass to the trustee in bankruptcy under the reputed ownership clause. They are treated as goods in the hands of a factor.

SHORT-DATED BILLS. (Fr. *Billets à courte date*, Ger. *kurzsichtige Wechsel*, Sp. *Letras á corta fecha*, It. *Cambiali a breve scadenza o a breve termine.*)

Short-dated bills are those which have a short time to run from their date.

SHORT INTEREST. (Fr. *Intérêts en moins*, Ger. *Überversicherung, Zinsenmanko*, Sp. *Intereses de menos*, It. *Interessi in meno.*)

In marine insurance the excess of the amount for which goods are insured over the value of the goods shipped is called "short interest," and the insured may claim this amount from the underwriters.

SHORT LOANS. (Fr. *Prêts à courte date*, Ger. *kurze Darlehen*, Sp. *Préstamos á corta fecha*, It. *Prestiti a breve scadenza o per breve periodo di tempo.*)

These are advances made for short periods at a fixed rate of interest.

SHORT MONEY. (Fr. *Prêts courts*, Ger. *kurzes Darlehen*, Sp. *Préstamos cortos*, It. *Prestiti a breve termine.*)

This expression has the same meaning as short loans (*q.v.*).

SHORT OF STOCK. (Fr. *Baissier*, Ger. *Baissier*, *Tiefspekulant*, Sp. *Bajista*, It. *Giuocatore di borsa al ribasso.*)

This is an American term, equivalent in meaning to the word "bear"; speculators being said to be "short of stock" when they have sold what they do not possess.

SHORT SHIPMENT. (Fr. *Pas à bord*, Ger. *nicht an Bord, nicht geliefert*, Sp. *No á bordo*, It. *Non a bordo.*)

These are goods said to be a short shipment when they are shut out of a ship, either accidentally or for want of room.

SHUT FOR DIVIDEND. (Fr. *Clôture pour dividende*, Ger. *für Verteilung der Dividenden geschlossen*, Sp. *Cerrado por dividendo*, It. *Chiusura per dividendo.*)

This is an expression used when the transfer books of banks and joint-stock companies are closed to permit of the dividend warrants being prepared and issued.

SIGHT BILLS. (Fr. *Billets à vue*, Ger. *Sichtwechsel*, Sp. *Letras á la vista*, It. *Cambiali a vista.*)

These are bills of exchange which are payable as soon as they are presented. No days of grace are allowed upon sight bills.

SIGHT ENTRY. (Fr. *Déclaration d'entrée*, Ger. *Interimszollschein*, Sp. *Permiso provisorio*, It. *Permesso provvisorio della dogana.*)

This expression has the same meaning as bill of sight (*q.v.*).

SIGNATORIES. (Fr. *Souscripteurs*, *signataires*, Ger. *Zeichner*, *Unterzeichner*, *Unterschreiber*, Sp. *Suscriptores*, *firmantes*, It. *Firmatori*, *sottoscrittori*, *soscrittori.*)

These are the persons who sign the memorandum of association and the articles of association of a limited company.

SIMPLE INTEREST. (Fr. *Intérêt simple*, Ger. *einfache Zinsen*, Sp. *Interés simple*, It. *Interesse semplice.*)

Interest is called simple when it is paid or credited to the lender as it becomes due. This immediate payment or crediting distinguishes simple interest from compound interest.

SINKING FUNDS. (Fr. *Fonds d'amortissement*, Ger. *Amortisationsfonds*, Sp. *Fondos de amortización*, It. *Fondi di ammortamento.*)

These are funds which are created by setting apart a certain proportion of the profits of a public company, or of the revenue of a Government, for the extinction of a debt or a loan, or for redeeming certain shares.

SKIPPING. (Fr. *Dépaquetage*, Ger. *Umpackung*, Sp. *Desempaquetaje*, It. *Sballare.*)

This is a Custom House term for the temporary transferring of goods from one package to another, for the purpose of taring, etc.

SLEEPING PARTNER. (Fr. *Associé commanditaire, commanditaire*, Ger. *stiller Teilhaber*, *Kommanditist*, Sp. *Socio comanditario*, It. *Socio accomandante.*)

A sleeping partner is one who invests his money in a business, but takes no active part in the working of the concern. Such a partner, if his name appears in the firm or if he holds himself out as a partner, is equally liable with each of the working or active partners for the debts of the firm to the whole extent of his property. But see *Partnership*.

SLIDING SCALE. (Fr. *Échelle mobile*, Ger. *gleitende Skala*, *Staffeltarif*, Sp. *Escala gradual*, It. *Scala mobile o di proporzione.*)

A sliding scale is a scale for fixing the rate of wages to be paid to workmen according to the rise or fall in the market value of the product of their labour. This is made clear by the following example. Suppose a workman, who is paid by a sliding scale, agrees to accept 10*s*. as a basis for producing a certain quantity of any commodity so long as it should fetch 30*s*. in the open market. If the market price rises or falls 5*s*., his wages are proportionately increased or reduced, according to the scale agreed upon.

SLINGING. (Fr. *Frais d'élingue*, Ger. *Schlingengeld*, Sp. *Gastos de eslingar*, It. *Spese di agganciamento.*)

This is a shipping term used in some ports, signifying a charge for putting the chains round the goods as they lie in craft alongside a ship, so that the vessel may hoist them on board. This charge is usually borne by the shipper.

SLIP. (See *Marine Insurance.*)

SLIPS. (Fr. *Cales*, Ger. *Stapel*, Sp. *Tiras*, It. *Ponte di approdo*, *scali di costruzione e alaggio.*)

These are platforms sloping downwards towards the water, upon which ships may be built, overhauled, or repaired.

SLUMP. (Fr. *Baisse soudaine*, Ger. *ein plötzliches Sinken der Preise*, Sp. *Baja repentina en el precio*, It. *Ribasso improvviso, diminuzione repentino nei prezzi.*)

This is the common word used to denote a heavy fall in the price of anything.

SMALL BANKRUPTCY. (See *Bankruptcy.*)

SMUGGLING. (Fr. *Contrebande*, Ger. *Schmuggelei*, Sp. *Contrabando*, It. *Contrabbando.*)

This means the fraudulent importation of dutiable goods, and the concealment of the same for the purpose of avoiding the payment of duty.

SOCIETY. (Fr. *Société*, Ger. *Gesellschaft*, Sp. *Sociedad*, It. *Società, associazione.*)

This is a combination of a number of persons for the purpose of carrying on a business undertaking.

SOFT GOODS. (Fr. *Tissus*, Ger. *Wollenwaren, Baumwollenwaren*, Sp. *Paños*, It. *Tessuti.*)

These are goods manufactured of wool or cotton, or of both.

SOLA. (Fr. *Seule*, Ger. *Sola*, Sp. *Sola*, It. *Sola, sola di cambio.*)

This is a Latin word meaning "solitary." This term, as applied to a bill of exchange, denotes that there is but one copy of the bill in circulation, as distinct from a bill which is drawn in a set of two or three.

SOLICITOR. (Fr. *Avoué*, Ger. *Anwalt*, Sp. *Procurador*, It. *Avocato.*)

A person who is duly admitted to the King's courts by the Master of the Rolls. Formerly the term "solicitor" was applied to those members of the profession who practised in the Courts of Chancery, and "attorney" to those who practised in the Common Law Courts; but the title of attorney is no longer in use and that of solicitor is the only one recognised.

Full information as to the duties and responsibilities of a solicitor is given in Mr. Poley's valuable work on the *Law Affecting Solicitors*, from which the following summary is taken.

A person desirous of becoming a solicitor must serve an apprenticeship or clerkship under articles, which is known as service under articles. The only persons exempt from such service are barristers of five years' standing and certain colonial solicitors. Service must be with a properly qualified solicitor. It is necessary for every person, unless otherwise exempt, to pass an examination before he can be articled, called the preliminary examination. The contract of service or articles must be in writing, and is usually signed by the parent or guardian of the clerk on his behalf and by the solicitor. The stamp duty on original articles is £80. The contract is required to be registered, and it must be produced to the Registrar of the Law Society within six months of the date when it was made. The Registrar, on being satisfied as to its due execution, enters in a book the names and addresses of the parties, the date of the articles, and the date of the entry. The Registrar may, before making the entry, require a verification of the articles by statutory declaration or otherwise, as may be thought fit. A fee of 5s. is payable on registration. A certificate of having passed the preliminary examination, or any of the examinations exempting from it, must be produced, or satisfactory evidence that the person named in the articles is not required under the regulations for the time being in force to pass a preliminary examination. All certificates are returned with the articles. A premium is usually required by the solicitor of the clerk. This varies greatly according to the status and business of the solicitor.

Three years' service only is required of graduates in arts or laws of any of the universities of the United Kingdom (provided the degrees are not honorary), and of barristers of three years' standing. The same period only is required in the case of persons admitted and enrolled as writers to the signet or solicitors in the Supreme Court of Scotland, or members of the Faculty of Advocates. Clerks who have for ten years been *bonâ fide* engaged in a solicitor's office, on satisfying the examiners that they have faithfully, honestly, and diligently served as such, are likewise entitled to the benefit of this exemption. Service for four years is permitted to persons who have passed certain examinations, full particulars of which can be obtained from the offices of the Law Society, Chancery Lane.

The articled clerk, unless specially permitted to do so, may not engage in any business during his articles. If his master dies, becomes bankrupt, or is otherwise disqualified before the termination of the period of service, the clerk's articles may be transferred to another solicitor. The contract of service may be determined by mutual consent.

There are three examinations to be passed by all clerks who are not exempted by reason of university or other qualifications—the preliminary, the intermediate, and the final. From the last of these there is no exemption except in the case of colonial attorneys

of seven years' standing. The examinations are held four times a year. The fees payable are £2, £3, and £5 respectively, but half these fees only are charged on a second or a subsequent examination.

On passing the final examination the clerk is entitled to be admitted as a solicitor. He must give six weeks' notice at least before the first day of the month to the Registrar in writing, stating his place of abode, and the name or names and the place or places of abode of the person or persons with whom he has served under articles. Admission is granted by the Master of the Rolls, and the stamp duty payable on such admission is £25.

Every solicitor must take out an annual certificate," otherwise he is disqualified from practising. During the first three years the fee payable is £4 10*s*. for London and £3 for the country. Afterwards the yearly fee is £9 for every solicitor practising within ten miles of the General Post Office, and £6 for every country solicitor.

The High Court exercises a controlling influence over solicitors, as they are officers of the court. This jurisdiction is exercised in a summary manner by equitable or punitive orders, disobedience to which renders a solicitor liable to attachment. Thus, orders may be made enforcing the delivery up of documents to a client, the payment of money in accordance with an undertaking, and the delivery of a bill of costs.

Where a solicitor is guilty of professional misconduct an application may be made to the statutory committee of the Law Society by affidavit, and the committee will hear and investigate the charges brought against the solicitor. They have full power either to dismiss the charge or to report for or against the solicitor. The report is then brought before a Divisional Court of the High Court of Justice, and the judges may punish the solicitor by striking his name off the rolls, or by awarding a lesser punishment. On a conviction for felony the solicitor may be struck off the rolls on the production of the certificate of conviction. No inquiry in this case is held by the statutory committee.

As a body, solicitors are of the greatest use in advising the public as to their legal position and rights. It would not be possible for a layman to know how to act in cases of difficulty, unless he could obtain the opinion of a man who has made it his business for years to study the laws of the country. In many instances solicitors are accomplished men of the world as well as sagacious counsellors, and their judgment can be safely relied upon. They are bound to preserve their clients' secrets, and an action will lie for the divulgement of them. They are liable for acts of negligence, but the standard by which it is measured is determined by the answer to the question: "Has the solicitor exercised the skill, diligence, or care that would reasonably be expected of a man in his own profession?" Whether an action will lie is very often a matter requiring careful judgment, and it is advisable if such is contemplated to take the opinion of counsel before commencing proceedings.

Solicitors are generally liable in contentious matters for the consequences of ignorance or non-observance of the rules of practice of the courts, for want of care in the preparation of the cause for trial, or in attendance thereon with witnesses, and for the mismanagement of so much of the conduct of the case as is usually and ordinarily allotted to their department of the profession. But, on the other hand, a solicitor is not answerable for error of judgment upon points of new occurrence, or of nice and doubtful construction, or of such as are usually entrusted to men in the higher branches of the law. He would be liable for not communicating a compromise offered to his client.

In general, he has an implied authority in matters of litigation to do all necessary things, but not to incur unusual expenses, such as paying special fees to counsel, employing shorthand writers during the trial of an action, or taking expensive journeys without first obtaining the authority of his client.

In non-litigious matters he is liable for not investigating the title to property when employed to do so, for failing to make necessary searches, and for omitting to give notices of equitable assignments. When employed to invest money on a particular mortgage, if he selects the mortgage himself he may be liable for negligence if the security is insufficient, and he has not had the property valued. He is also bound to obey all lawful instructions.

When a solicitor is employed his employment is called a "retainer," which may be either verbal or in writing. The retainer constitutes the relationship of solicitor and client. The solicitor can throw up the retainer for a reasonable

st giv notice to the client. He cannot throw it up in an action on the eve of the trial. He is entitled to call on his client to provide him with funds for counsel's fees, witnesses, jury fees, stamps, etc., and he is bound to account to his client for all moneys he has received on his behalf.

A client may make an agreement with his solicitor for conveyancing as well as for litigious work, but in order to bind the client the agreement must be in writing, and signed by the client or by his agent on his behalf. The agreement must be reasonable. There is a difference in the agreements as to non-litigious and litigious work. In respect of the former the solicitor must sue if he wishes to recover, but the latter may be enforced by the order of the court. If there is no agreement, the solicitor must deliver his bill of costs before he can commence an action, and, unless the client is about to leave the country, a month must elapse between the delivery of the bill and the commencement of the action. The bill can be taxed either by the solicitor or by the client, but it cannot be taxed a year after its delivery by the client unless special circumstances are shown. What are the special circumstances which will enable the bill to be taxed after the year are determined by the judge or the master before whom the matter comes. Besides the client parties who are liable to pay the bill, such as mortgagees or lessees who have undertaken to pay the mortgagors' or lessors' costs, can obtain taxation, and so also can *cestuis que trustent*. After the bill has been paid taxation can only be obtained on special circumstances being shown, but no taxation can be had more than a year after payment.

The solicitor is remunerated for his work by the charges that he makes, which usually consist of items for the attendances of himself and his clerks. But largely in conveyancing matters he is remunerated under the Solicitors' Remuneration Act, where a scale is provided based on the price paid for the property by the purchaser, or the amount lent by a mortgagee, or the rent reserved by a lessor. If the business does not fall within the class of cases to which the scale applies, the solicitor charges in the usual way.

In addition to the bill which the solicitor delivers, he is bound to supply a cash account showing the amount he has received from his client. It is often a question as to whether items should be placed in the bill of costs or in the cash account, and the matter becomes of importance if the client is thinking of taxing the bill, for if an important item can be removed from the bill to the cash account, the bill may be reduced by one-sixth, which will throw the cost of the taxation on the solicitor. Thus, if the solicitor finds the amount that is paid to the revenue for estate duty, he must not include it in his bill, but place it in the cash account. Fees paid to counsel, even though the client finds the money, fees to witnesses, and jury and court fees are properly included in the bill.

The relationship of counsel and solicitor is one that requires consideration. If litigation is proceeding counsel must be instructed by the client through a solicitor, and the services of counsel are rewarded by an honorarium proportioned to the amount of money which is at stake, or to the importance of the issue. There is no legal liability imposed upon counsel either to the solicitor or to the lay client for negligence or non-attendance on a case; but if he is unable to attend personally he either returns the brief or provides a substitute. In important cases two counsel are usually briefed, a King's counsel, or leader, and a junior barrister. The junior draws the pleadings and prepares the case, but the conduct of it at the trial mainly falls to the leader, who opens, cross-examines the principal witnesses, and replies. The fees payable are regulated by etiquette, the junior requiring two-thirds of the fees paid to the leader.

Counsel are entitled to demand their fees when the brief is delivered, and respectable firms of solicitors usually make a point of delivering cheques at the same time that they deliver their briefs, especially when they are not personally known to the counsel they are employing. Counsel cannot sue for their fees, but if the client has paid the solicitor, and the solicitor fails to pay the fees to counsel, the solicitor is guilty of professional misconduct, which will render him liable to be suspended from practice, or in extreme cases to be struck off the rolls.

A solicitor has a lien or a right to retain his client's papers and documents until his bill of costs has been paid; in fact he may use his lien as a weapon to enforce payment by embarrassing his client. He also has a right in some cases of actively enforcing his lien. There are

two kinds of lien at common law, the retaining or passive lien, so called because the solicitor cannot actively enforce it, and the charging lien, which can be actively enforced. In addition, there is a right of lien which has been conferred by statute, and which is known as the statutory lien or charging order. This is better known and more commonly used than the charging lien, though there are many cases in which the former must be used if the solicitor desires the protection of the court. A large number of decisions have defined the nature and the extent of these various liens.

The statutory lien, or charging order, is obtained by a solicitor upon property recovered or preserved by his exertions, and he is entitled to apply to the court for an order charging the property recovered or preserved with the amount of his costs, and, if necessary, to apply to have his costs, charges, and expenses raised out of the property, whatever its nature, tenure, and kind may be. The right to this lien may be barred by failure to make an application for six years. In this respect it differs from the charging lien, which is not subject to the provisions of the Statute of Limitations. The charging order can be made on the interests of others than the actual client, where a benefit has accrued to them through the solicitor's exertions. It is treated on the principle of salvage. All conveyances and acts done to defeat the solicitor's right to a charge are void and of no effect against the charge, unless made to a *bonâ fide* purchaser for value without notice.

A solicitor is under certain disabilities in his relationship with his client. He cannot accept a substantial gift from his client beyond his fee. If he does so the client, or the client's executors if the client is dead, can obtain it back from the solicitor. To make such a gift irrevocable there must be a fixed, deliberate, and unbiassed determination that the transaction shall not be impeached after the influence arising from the existence of the retainer has ceased to exist. But the rule as to gifts does not apply to mere trifling things. Where the benefits derived by the solicitor are small, the court will not interfere to set the gifts aside upon the mere fact of the existence of the relationship of solicitor and client, and the absence of proof of competent and independent advice. There must be proof of *mala fides*, or of an undue or unfair exercise of influence. The rule as to rendering gifts invalid during the existence of the relationship of solicitor and client applies not merely to gifts made to the solicitor himself, but also to gifts made by the client to the solicitor's wife and children.

A solicitor may not take an unfair advantage of his client in the capacity of vendor, purchaser, or mortgagee, nor may he take a secret commission. In the case of purchases from a client, if the propriety of the transaction is questioned the solicitor must show that he has given all that reasonable advice to his client against himself which he would have given against a third person.

SOLVENCY. (Fr. *Solvabilité*, Ger. *Zahlungsfahigkeit*, Sp. *Solvencia*, It. *Solvibilità*.)

This is the state of a person who is in a position to pay the whole of his debts in full.

SOLVENT. (Fr. *Solvable*, Ger. *solvent*, *zahlungsfahig*, Sp. *Solvente*, It. *Solvibile*, *solvente*.)

A merchant or other person is said to be solvent when he is able to pay the whole of his debts in full.

SOU. (Fr., Ger., and Sp., *Sou*, It. *Soldo*.)

This is a French bronze coin, the twentieth part of a franc, equal in value to about one halfpenny.

SOVEREIGN. (Fr. *Souverain*, Ger. *Sovereign*, Sp. *Soberano* (*moneda inglesa*), *libra*, It. *Sovrana*, *lira sterlina*.)

The sovereign is the standard British gold coin, which is worth £1 sterling, and equal to about 25·22 francs, 20·4 Reichsmarken, and 25.22 pesetas.

SPECIAL COMMERCE. (Fr. *Commerce spécial*, Ger. *Spezialhandel*, Sp. *Comercio especial*, It. *Commercio o traffico speciale*.)

This includes only the imports which are intended for home consumption, and the exports which are for the most part produced in the exporting country.

SPECIAL INDORSEMENT. (Fr. *Endos spécial*, Ger. *ausgefülltes Giro*, Sp. *Endoso especial*, It. *Girata speciale*.)

A special indorsement is an indorsement upon a bill of exchange or other document stating the name of the person to whom the bill, etc., has been transferred.

A bill of exchange when specially indorsed is payable to the indorsee therein designated, and can only be negotiated by his indorsement. If a special indorsement follows an indorsement in blank, the former controls the effect of the latter.

SPECIAL SETTLEMENT. (Fr. *Jour de liquidation spéciale,* Ger. *besonderer Abrechnungstag,* Sp. *Día de liquidación especial,* It. *Giorno di liquidazione speciale.*)

It is the custom on the Stock Exchange, when a stock is first admitted to a quotation, for the committee to fix a day upon which the first settlement of all prior dealings with the stock are to be made. This is called the "special settlement" day.

SPECIE. (Fr. *Espèces,* Ger. *Metallgeld,* Sp. *Especias, numerario,* It. *Numerario, moneta metallica.*)

This word means something in its own form and essence. The name is generally applied to gold and silver coin in contradistinction to bills and notes.

SPECIE PAYMENTS. (Fr. *Paiements en espèces,* Ger. *Zahlungen in barem Geld,* Sp. *Pagos en moneda sonante,* It. *Pagamenti in moneta metallica.*)

Payments in coin or bullion as distinguished from payments made in an inconvertible paper currency.

SPECIE POINT. (Fr. *Point d'exportation en numéraire,* Ger. *Metallpunkt,* Sp. *Cotización metálica,* It. *Punto d'esportazione in numerario, quotazione metallica.*)

This signifies the price above the par of exchange at which it is cheaper to transmit bullion than to buy bills. For example, the mint par of exchange between London and Paris is 25·225. When the French exchange rises to 25·10 it is cheaper to send gold from England to France; but when the exchange falls to 25·35 it is cheaper to ship gold from France to England.

SPECIFICATION. (Fr. *Spécification, devis,* Ger. *Spezifikation, Einzelaufführung,* Sp. *Especificación,* It. *Specificazione, distinta.*)

A specification is a detailed account of anything. In a commercial sense it means full particulars of certain goods required, or work to be performed, as supplied to contractors or others, so that they may estimate the cost of the same, or as supplied by contractors, stating fully the terms upon which they are willing to supply the goods or do the work.

SPECULATION. (Fr. *Spéculation,* Ger. *Spekulation,* Sp. *Especulación,* It. *Speculazione.*)

This is a commercial term of rather wide signification, and means primarily the expenditure of capital with a view to profit. In this sense the establishment of any new business is a speculation. In a more restricted sense it conveys the idea of hazard and risk, and is generally understood to signify the purchase of stocks, shares, or commodities with the intention of re-selling the same, and so to make a large profit in a short time. It also indicates the risking of a small sum in the anticipation of realising a large return.

SPEDITION. (Fr. *Expédition,* Ger. *Spedition,* Sp. *Expedición,* It. *Spedizione.*)

This is another word used to express forwarding.

SPITS. (Fr. *Broches,* Ger. *Untersuchungseisen,* Sp. *Agujas,* It. *Spiedi, stili.*)

These are articles used by officers of customs for the purpose of examining goods in rolls, bales, etc., to see that no dutiable articles are concealed in them. Some are made of wood, like a paper knife, others are long, pointed pieces of wire or steel, so as easily to be inserted into the article to be examined.

SPOT. (Fr. *Sur place,* Ger. *Lokoware,* Sp. *En plaza,* It. *Sul posto, sul luogo.*)

This means that goods are on the spot ready for delivery.

SPREAD. (Fr. *Double privilège,* Ger. *Stellagegeschaft,* Sp. *Doble privilegio,* It. *Doppio privilegio.*)

This is the American term for a "put and call," when the price at which the stock can be "put" is higher or lower than the price at which it can be called, or *vice versâ.*

STAG. (Fr. *Loup,* Ger. *Schleppspekulant,* Sp. *Corredor zurupeto que compra y vende sin ser autorizado,* It. *Volpone, persona scaltra e disonesta.*)

This is an expression used on the Stock Exchange to signify a person who applies for shares in any new company with the sole object of selling them as soon as a premium is obtainable, and never intending to hold or even fully subscribe for the shares. Another name for a stag is "premium hunter."

STALE CHEQUE. (Fr. *Vieux chèque,* Ger. *alter Check,* Sp. *Cheque caducado,* It. *Cheque vecchio o scaduto.*)

A stale cheque is one which has remained unpaid for a considerable time, either through delay in presentation, or from any other cause. Generally, a banker will refuse to honour a cheque which is six months old.

A person who takes a stale cheque does so at his own risk. For example, if the holder of a cheque does not present it within a reasonable time (when it would have been paid), and the banker becomes bankrupt, the drawer is

discharged, but the holder is able to prove against the banker's estate for the amount of the cheque in the place of the drawer.

STAMP DUTIES. (Fr. *Droits de timbre*, Ger. *Stempelsteuer*, Sp. *Derechos de timbre*, It. *Diritti di bollo*.)

These are taxes imposed upon the parchment or paper on which many legal documents are written. An unstamped document has no legal force, but in most cases (excepting bills of exchange, bills of lading, marine policies executed in the United Kingdom, proxies, and voting papers) instruments requiring stamps may be stamped subsequently to execution on payment of the proper stamp duty and a certain additional sum' by way of penalty. Several of these are liable to fluctuation from year to year, and therefore the Finance Act of the year should be consulted for greater accuracy.

An agreement, or memorandum of agreement, under hand, must be stamped within fourteen days, and a deed within thirty days, of the date of execution of the instrument.

In most cases an impressed stamp is required, but an adhesive stamp may be used in the following :—

Agreements liable to a duty of 6*d*.
Bills of exchange payable on demand.
Certified copies of or extracts from registers of births, etc.
Charter-parties.
Contract notes where the amount is less than £100.
Leases of dwelling-houses, or parts thereof, furnished or unfurnished, for any definite period not exceeding a year, where the rent is not more than £25 for a furnished, and £10 for an unfurnished, house.
Letters of renunciation.
Notarial acts.
Policies of fire insurance.
Protests of bills of exchange.
Proxies, where the duty is 1*d*.
Receipts.
Voting papers.
Warrants for goods.

The following is a list of the principal stamp duties :—

	£	*s.*	*d.*
Affidavit, or statutory declaration	0	2	6
Agreement, or memorandum of agreement, under hand, not otherwise charged . . .	0	0	6
Agreement for lease of a furnished house for less than a year, the rent not exceeding £25	0	2	6
(Agreement for lease, other than the above, same as lease.)			
Appointment of new trustee .	0	10	0
Appraisement or valuation of any estate or effects where the amount of the appraisement does not exceed £5 .		0	3
Not exceeding £10 . . .		0	6
Ditto £20		1	0
Ditto £30		1	6
Ditto £40 .		2	0
Ditto £50 .		2	6
Ditto £100 .		5	0
Ditto £200 .		10	0
Ditto £500 .		15	0
Exceeding £500 .		0	0
Apprenticeship indentures		2	6
Arms, Grant of . .		0	0
Articles of Clerkship to solicitor :—			
In England or Ireland .	80	0	0
In Scotland	60	0	0
Award	0	10	0

This duty was fixed by the Revenue Act, 1906. Prior to that date there had been *ad valorem* duties imposed, varying from 3*d*. to £1 15*s*. 0*d*.

	£	*s.*	*d.*
Bill of Lading	0	0	6
Bills of Exchange (inland bills)—			
When payable on demand, or at sight, or on presentation, or not exceeding three days after date or sight for any amount	(		
(This stamp may be adhesive.)			
Amount not exceeding £10	0	0	2
Exceeding £10 and not exceeding £25	0	0	3
Ditto £25, Ditto £50 .	0	0	6
Ditto £50, Ditto £75 .	0	0	9
Ditto £75, Ditto £100 .	0	1	0

When the amount exceeds £100, 1*s*. for the first £100, and an additional 1*s*. for every fractional part of £100. (On all bills where the duty is calculated *advalorem*, the stamp must be an impressed one.)

Foreign bills of exchange drawn out of the United Kingdom, but payable in the United Kingdom, are stamped in the same manner as inland bills. Foreign bills of exchange drawn and expressed to be payable out of the United Kingdom, but indorsed, negotiated, or actually paid within the United Kingdom, are stamped as inland bills when they do not exceed £50.

	£	s.	d.
Exceeding £50, and not exceeding £100 . . .	0	0	
Exceeding £100, for every £100 or any part thereof .	0	0	6
Special adhesive stamps are required for foreign bills.			
Promissory notes are stamped in the same manner as bills of exchange, but the duty is always *ad valorem.*			
Bonds.—For securing an annuity, where the payments are for the term of life, or other indefinite period, for every £5, and every fractional part of £5 payable.			
(*a*) If as primary security.	0	2	
(*b*) If as collateral security.	0	0	
For securing an annuity where the total amount is ascertainable, or for the payment of money, same as mortgage.			
For customs or excise duties, same as mortgage bond, but not to exceed *5s.*			
For other duties, not specifically charged (including fidelity bonds), same as mortgage bond, but not to exceed *10s.*			
On obtaining letters of administration (where the amount exceeds £100) .	0	5	0
Capital Duty (Share)— Companies and corporations with limited liability, on every £100 of nominal capital	0	5	0
Capital Duty (Loan)— Issues by local authorities, companies, and corporations, on every £100 secured . .	0	2	6
But a revision of *2s.* in the £ is now made if the capital is applied in the conversion of an exisiting loan.			
Cards (playing), for every pack	0	0	3
Certificate of birth, baptism, marriage, death, or burial	0	0	1
Charter-party	0	0	[illegible]
Cheque	0	0	2
(The alteration from 1d. to 2d. was made by the Finance Act, 1918, and came into force on the 1st September, 1918.)			
Collateral Security, for each £100	0	0	6
Contract note	0	0	6
Exceeding £100, but not exceeding £500	0	1	0
Ditto £500, ditto £1,000 .	0	2	0

	£	s.	d.
Exceeding £1,000, but not exceeding £1,500 . .	0	3	0
Ditto £1,500, ditto £2,500 .	0	4	0
Ditto £2,500, ditto £5,000 .	0	6	0
Ditto £5,000, ditto £7,500 .	0	8	0
Ditto £7,500, ditto £10,000 .	0	10	0
Ditto £10,000, ditto £12,500 .	0	12	0
Ditto £12,500, ditto £15,000 .	0	14	0
Ditto £15,000, ditto £17,500 .	0	16	0
Ditto £17,500, ditto £20,000 .	0	18	0
Ditto £20,000.	1	0	0

Continuation notes are charged on one only of the two transactions embraced. Option contract notes are charged with half the above rates only, unless the option is a double one. Contract notes following duly stamped option contracts are relieved from half the duty.

	£	s.	d.
Contract or grant for payment of a superannuation annuity ; for every £5 or fractional part of £5 . . .	0	0	6
Conveyance or transfer— Bank of England stock .	0		
Colonial debenture stock or funded debt, for every £100 or fractional part of £100, of nominal value transferred	0	2	6
Property, other than such stock— Where the purchase money does not exceed £5 . . .	0	1	0
Exceeding £5, and not exceeding £10	0	2	0
Ditto £10, Ditto £15 .	0	3	9
Ditto £15, Ditto £20 .	0	4	0
Ditto £20, Ditto £25 .	0	5	0
For every additional £25 up to £300	0	5	0
For every £50, if exceeding £300	0	10	0
Not otherwise charged . .	0	10	0

N.B—In cases where the consideration does not exceed £500 and the instrument contains a certificate as required by the Finance (1909-10) Act, 1910, sec. 73, that the transaction does not form part of a larger transaction or of a series of transactions in respect of which the consideration exceeds £500, duty is charged at half the above rates.

Conveyances by way of gift *inter vivos* are charged as conveyances on sale. Exceptions for marriage settlements, and certain gifts

	£	s.	d.
of property for preservation of open spaces, and for conveyances to appoint new trustees, etc.			
Copy or extract (attested or authenticated), the same duty as the original, but not to exceed	0	1	
Copyhold and Customary Estates—			
If on sale, mortgage, or demise, the *ad valorem* duties under Conveyance, Mortgage, or Lease. Upon any other occasion—Surrender or grant made out of court, or the memorandum thereof, and Copy of court-roll of any surrender or grant made in court .	0	10	0
Corporate and Unincorporate Bodies—			
Upon the *net* annual value, income, or profits accrued in respect of all real or personal property vested in such bodies per cent.		0	0
(Subject to certain exceptions laid down in the Customs and Inland Revenue Act, 1885.)			
Covenant—			
For repayment of money. (See *Mortgage.*)			
For original creation and sale of any annuity. (See *Conveyance.*)			
For an annuity (except on original creation and sale) or other periodical payments. (See *Bond.*)			
Separate Deed of, made on occasion of sale or mortgage, but not being an instrument chargeable with *ad valorem* duty as a Conveyance or Mortgage; same duty as a Conveyance on Sale, or a Mortgage, but not to exceed	0	10	0
Declaration.—(See *Affidavit.*)			
Declaration of Trust, not being a Will or Settlement . .	0	10	
Deed of any kind not charged under some special head .	0	10	
Demise.—(See *Lease.*)			
Deputation or Appointment of a Gamekeeper. .	0	10	0
Ecclesiastical Licences—			
To hold the office of lecturer, etc.	0	10	0
For licensing a building for divine service, etc., and any chapel for solemnising marriages	1	10	0
Licence not otherwise charged	2	0	0
Duplicate or Counterpart—			
Same duty as original, but not to exceed	0	5	0
Equitable Mortgages—			
For each £100 secured, or part thereof	0	1	0
Hire-Purchase Agreements—			
Under hand	0	0	6
By deed	0	10	0
Insurance Policies (Life)—			
For any sum not exceeding £10	0	0	1
Exceeding £10, and not exceeding £25	0	0	3
Exceeding £25, and not exceeding £500, for every £50 or fractional part thereof	0	0	6
Exceeding £500, and not exceeding £1,000, for every £100 or fractional part thereof	0	1	0
Exceeding £1,000, for every £1,000, or any fractional part thereof . . .	0	10	0
Accidental death, or personal injury, or periodical payments during sickness .	0	0	1
Loss or damage to property	0	0	1
Indemnity against loss under the Employers' Liability Act, or the Workmen's Compensation Act—			
Where the annual premium does not exceed £2 .	0	0	1
Where the annual premium exceeds £2:			
If by agreement under hand	0	0	6
If by deed	0	10	0
Marine—			
Where the premium does not exceed 2*s.* 6*d.* per cent. of the sum insured . . .	0	0	1
Where the premium exceeds 2*s.* 6*d.* per cent.:			
For every £100, or fractional part thereof, insured upon any voyage . . .	0	0	1
In time policies, for every sum of £100, or fractional part thereof—			
If the time does not exceed six months . . .	0	0	3
If the time does exceed six months, but does not exceed twelve months . .	0	0	6
If there is a continuation clause, extending the time for thirty days beyond the twelve months, an additional duty of	0	0	6

	£	s.	d.
Leases—			
A dwelling-house or a part thereof, for a definite period not exceeding one year, the rent not exceeding £10 per annum	0	0	1
A furnished dwelling-house, or apartments in the same, for a definite period less than a year, the rent for the term not exceeding £25 per annum	0	5	0

Lands or tenements at the following rents, and for the periods stated—

Exceeding.	*Not Exceeding.*	*Up to 35 years.*	*35 years to 100 years.*	*Over 100 years.*
		d.	£ s. d.	£ s.
	£5	0	0 6 0	0 12
£5	£10	0	0 12 0	1 4
£10	£15	0	0 18 0	1 16
£15	£20	0	1 4 0	2 8
£20	£25	0	1 10 0	3 0
£25	£50	0	3 0 0	6 0
£50	£75	0	4 10 0	9
£75	£100	0	6 0 0	12
£100 (for each £50, or fractional part of £50)		0 10 0	. 3 0 0	.. 6 0 0

	£	s.	d.
An agreement for a lease not exceeding 35 years is stamped the same as an actual lease.			
Letters of Allotment and Renunciation—			
Less than £5 . . .			
£5 and upwards . . .			
Letters Patent (Grant of honours or dignities)—			
Duke	350	0	0
Marquis . . .	300	0	0
Earl	250	0	0
Viscount . . .	200	0	0
Baron	150	0	0
Precedence	100	0	0
Baronet	100	0	0
Congé d'élire to elect—			
Archbishop or bishop	30		
Any other honour . .	30		
Change of name or arms (if done in accordance with the terms of a will)	50	0	0
Change of name or arms upon a voluntary application	10	0	0
Letters Patent, for inventions—			
Application for provisional protection	1	0	0
Filing complete specification	3	0	0
On the notice of a desire to have the patent sealed	1	0	0

The duration of a patent may extend up to fourteen years, but this duration depends upon the payment of certain fees each year, otherwise the patent lapses at the end of the fourth year. The payment in respect of each year must be made before the commencement of the year as follows:—

	£	s.	d
For the 5th year . .	5	0	0
.	6	0	0
„ 7th „ . .	7	0	0
„ 8th „ . .	8	0	0
„ 9th „ . .	9	0	0
„ 10th „ . .	10	0	0
„ 11th „ .	11	0	0
For the 12th Year . .	12	0	0
„ 13th „ . .	13	0	0
„ 14th „ . .	14	0	0

These fees are subject to revision, and are exclusive of certain other small charges.

	£	s.	d.
Marriage Licence—			
Special	5	0	0
Other	0	10	0
Mortgages—			
Not Exceeding £10 .	0	0	3
Ditto £25	0	0	8
Ditto £50	0	1	3
Ditto £100	0	2	6
Ditto £150	0	3	9
Ditto £200	0	5	0
Ditto £250	0	6	3
Ditto £300	0	7	6
Exceeding £300, for every £100 and fractional part thereof	0	2	6
Transfer of mortgage, per £100	0	0	6
Reconveyance, release, per £100	0	0	6
Passport	0	0	6
Power of Attorney—			
To receive prize-money or wages	0	1	0
For sale, transfer, or acceptance of any of the Government funds not exceeding £100, nominal amount .	0	2	6

	£	s.	d.
In any other case . .	0	10	0
For receipt of dividends or interest of any stock, for one payment	0	1	0
In any other case . .	0	5	0
To vote at a meeting .	0	0	1
Any other kind of power of attorney	0	10	0
Promissory Note. (See Bill of Exchange.)			
Protest of bill of exchange—			
The same duty as the bill itself, but not to exceed .	0	1	0
Receipts for £2 and upwards .	0	0	1
Scrip Certificate	0	0	1
Securities (transferable by delivery)—			
(1) Colonial Government securities, and other securities dated between June 3, 1862, and August 7, 1885, of which the interest is payable in the United Kingdom, same as mortgage.			
(2) Other securities, for every £10 or fractional part of £10	0	1	0
(3) Foreign share certificates, for every £25 or fractional part of £25 . . .	0	0	
Settlements—			
Any deed whereby a definite sum or share is settled upon or for the benefit of a person, for every £100 or fractional part of £100 . .	0	5	0
Share Warrant, or stock certificate to bearer—			
(1) Any company in the United Kingdom, on issue, on the nominal value, per cent.	1	10	0
(2) Any foreign or colonial company on first delivery in the United Kingdom, for every £10 or fractional part of £10	0	1	0
Voting Paper or Proxy . .	0	0	1

Where a proxy is a general one, that is, where it gives the right to vote at more than one meeting, or the adjournment thereof, or at meetings generally, the duty is 10*s.*

Warrant for goods	0	0	3

If any of the documents for which stamps are needed to make them legally binding are spoiled before execution, and the stamps consequently wasted, an allowance will be made for the spoiled stamps if an application is sent in to Somerset House within two years from the time of the spoiling of the document.

The following are the penalties usually enforced in cases of failure to stamp documents at the proper time:—

	£	s.	d.
Agreements under hand, after the expiration of 14 days .	10	0	0
Charter-parties, within 7 days from their first execution .	0	4	6
Charter-parties, after 7 days but within a month . .	10	0	0
Receipts within 14 days after they have been given . .	5	0	0
Receipts, after 14 days but within a month . . .	10	0	0
(*N.B.*—After a month, receipts cannot be stamped under any circumstances.)			
Other instruments (except those which cannot be stamped after execution)	10	0	0

STAMP NOTE. (Fr. *Permis d'embar quement*, Ger. *Zollschein*, Sp. *Permiso de cargar*, It. *Permesso o bolletta d'imbarco del carico.*)

This is a certificate from a Custom House official, giving permission for goods to be loaded on board ship.

STANDARD. (Fr. *Type*, *valeur*, Ger. *Norm*, Sp. *Tipo*, *norma*, It. *Tipo.*)

A standard is a fixed point of value, quantity, or quality. British standard money is gold, the rest of the coinage being token money, and the cost of coining gold is a charge upon the revenue. Silver token money is issued at a nominal value of about 5*s.* 6*d.* per ounce, 66 shillings being coined out of one troy lb. of silver, whereas the market value of silver is less than one-half this sum. The gain to the exchequer is called seigniorage. The similar profit of the French mint is known as *retenue.*

STANDARD GOLD. (Fr. *Or au titre*, Ger. *Münzgold*, Sp. *Oro de grado fino*, It. *Oro al titolo legale.*)

This is the gold from which our coins are made, and contains 22 parts of pure gold and 2 parts of copper melted together.

STANDARD MARK. (Fr. *Titre*, Ger. *Feingehaltsstempel*, Sp. *Marco*, *tipo*, It. *Marca o bollo del titolo legale*)

(See *Gold and Silver.*)

STANDARD SILVER. (Fr. *Argent au titre*, Ger. *Münzsilber*, Sp. *Plata de grado fino*, It. *Argento al titolo legale.*)

This is the silver from which our coins are made and contains $\frac{37}{40}$ths of pure silver and $\frac{3}{40}$ths of copper melted together.

STAPLE. (Fr. *Produit principal*, Ger. *Stapelartikel*, Sp. *Producto principal*, It. *Articolo o prodotto principale.*)

Properly, this is a public mart, to

which merchants are obliged to bring their goods for sale. Formerly in England merchants were obliged to carry their goods and expose them for sale by wholesale at certain places. Each of these had a court of the mayor of the staple for deciding differences, according to the law. Afterwards the word "staple" was applied to the merchandise itself which was sold at these places. At present the term is frequently used to designate the principal products or manufactures of a country or town.

STAPLE TRADE. (Fr. *Produit principal*, Ger. *Stapelhandel*, Sp. *Producto principal*, It. *Commercio o traffico dei prodotti principali di un paese.*)

The staple trade of a place or country means the chief articles which are produced or manufactured there.

STARBOARD. (Fr. *Tribord*, Ger. *Steuerbord*, Sp. *Estibor*, It. *Tribordo.*)

Literally, this means the steering side of a vessel, or the right-hand side of a ship looking towards the bow.

STATEMENT OF ACCOUNTS. (Fr. *Relevé de compte*, Ger. *Rechnungsauszug*, Sp. *Estado de cuenta*, It. *Resoconti periodici, specchietto dei conti.*)

These are accounts rendered periodically, showing the amounts due by one person or firm to another. Generally such statements contain the dates and amounts of all the invoices sent in since the last settlement.

STATION. (Fr. *Station, entrepôt*, Ger. *Station*, Sp. *Estación*, It. *Stazione.*)

The word "station" in Custom House documents means a warehouse or a group of warehouses.

STATISTICS. (Fr. *Statistique*, Ger. *Statistiken*, Sp. *Estadísticas*, It. *Statistiche.*)

Collections of facts and figures relating to the state of trade or to the conditions of a people or class.

STATUTE. (Fr. *Statut, loi*, Ger. *Gesetz, Statut*, Sp. *Estatuto, reglamento*, It. *Statute.*)

This is a law of the Government of a state; an Act of Parliament.

STATUTE OF FRAUDS. (See *Frauds, Statute of.*)

STATUTE OF LIMITATIONS. (See *Limitations, Statute of.*)

STATUTORY DECLARATION. (Fr. *Déclaration sur parole au lieu de serment*, Ger. *Erklärung auf Ehrenwort an Eidesstatt*, Sp. *Declaración sobre palabra en lugar de juramento*, It. *Dichiarazione sulla parola invece del giuramento.*)

This is the name given to a declaration in writing, made in accordance with the Statutory Declarations Act, 1835, by which a person solemnly declares that he verifies some circumstance or fact. If the statement is false to the knowledge of the deponent, the offence may be punished as though it was a case of perjury.

STATUTORY MEETING. (See *Company.*)

STEERAGE. (Fr. *Entrepont*, Ger. *Zwischendeck*, Sp. *Antecámara*, It. *Corsia timoniera.*)

This is an apartment in the fore part of a ship where the passengers of the lower class are placed.

STEM. (Fr. *Charger du charbon*, Ger. *mit Kohlen beladen*, Sp. *Cargar de carbón*, It. *Caricare carbone sopra una nave.*)

To stem a vessel means to load her, or arrange to load her, with coals, within a certain time.

STERLING. (Fr. *Sterling*, Ger. *Sterling*, Sp. *Esterlina*, It. *Sterlina.*)

Once the name of a penny, it is now the term used to designate English money as distinct from the money of other nations.

STERLING BONDS. (Fr. *Obligations en sterling*, Ger. *Sterlingobligationen*, Sp. *Obligaciones en esterlina*, It. *Obbligazioni pagabili in sterline.*)

Sterling bonds are the bonds of certain American railroad companies which have been issued in the United Kingdom and are payable in English currency, and not in that of the United States.

STET. (Fr. *Bon*, Ger. *stehen lassen!* Sp. *Vale*, It. *Vale, stia.*)

This is a Latin term, meaning "let it stand." When an entry or figure has been crossed out by mistake, the word "stet" indicates that it should remain as it was originally written.

STEVEDORES. (Fr. *Arrimeurs*, Ger. *Stauer*, Sp. *Estivadores*, It. *Stivatori.*)

These are persons whose occupation it is to land or store cargo on board ships.

STEWARD. This word means:—

1. (Fr. *Commis aux vivres*, Ger. *Steward, Aufwärter*, Sp. *Despensero*, It. *Dispensiere, econome.*)

The manager of the provision department on board ship.

2. (Fr. *Intendant*, Ger. *Verwalter*, Sp. *Administrador, mazordomo*, It. *Intendente, amministratore.*)

The person who has charge of an estate as representing the owner.

STIFFENING ORDER. (Fr. *Permis de lester*, Ger. *Ballastorder*, Sp. *Permiso de poner lastre*, It. *Permesso di caricar merci per zavorra.*)

This is a permission granted by the Custom House authorities for a ship to take in ballast or heavy cargo, previous to her being finally unloaded.

STIPEND. (Fr. *Salaire*, Ger. *Besoldung*, Sp. *Salario*, It. *Stipendio.*)

This is another name for salary; literally, one weighed out or paid for services.

STOCK. This term means:—

1. (Fr. *Dette publique*, Ger. *Staatspapiere*, Sp. *Deuda pública*, It. *Debito pubblico.*)

The national debt of any country.

2. (Fr. *Marchandises en magasin*, Ger. *Vorrat*, Sp. *Existencias*, It. *Merci in magazzino.*)

An accumulation of goods which remain unsold.

3. (Fr. *Capital*, Ger. *Kapital*, Sp. *Capital*, It. *Capitale, valori.*)

The capital raised by a public company, and dealt with in a particular fashion. The chief distinctions between stock and shares are:—

(*a*) Shares need not necessarily be fully paid up, but the amount of stock must be.

(*b*) Shares can only be transferred in their entirety; stock may be divided and transferred either in stated multiples or in any required amounts.

(*c*) Each share is distinguished by a particular number, a requirement which does not apply to stock.

A company limited by shares may modify the conditions of its memorandum of association and convert its paid-up shares into stock.

The effect of the conversion of shares into stock is thus stated in section 43 of the Companies (Consolidation) Act, 1908:—

"Where a company having a share capital has converted any of its shares into stock, and given notice of the conversion to the registrar of companies, all the provisions of this Act which are applicable to shares only shall cease as to so much of the share capital as is converted into stock; and the register of members of the company, and the list of members to be forwarded to the registrar, shall show the amount of stock held by each member instead of the amount of shares and the particulars relating to shares hereinbefore required by the Act."

STOCK BOOK. (Fr. *Magasinier*, Ger. *Lagerbuch*, Sp. *Almaacenar*, It. *Libro di magazzino.*)

This is a book in which is kept a record of goods on hand or unsold.

STOCK-BROKER. (Fr. *Agent de change, courtier*, Ger. *Effektenmakler, Fondsmakler, Sensal*, Sp. *Agente de cambio, bolsista, corredor*, It. *Agente di cambio, sensale d'effetti pubblici.*)

This is a person who deals in stocks and shares. As the public are excluded from the Stock Exchange, the stockbroker is the middleman who acts between the stock-jobber and the public.

STOCK EXCHANGE. (Fr. *Bourse*, Ger. *Fondsbörse*, Sp. *Bolsa*, It. *Borsa.*)

A Stock Exchange is a private institution devoted exclusively to dealings in stocks and shares.

The London Stock Exchange, the best known Exchange of the world, is governed by an elective committee of thirty members. The business is conducted in the premises which are the property of a joint-stock company, the shareholders of the company being members of the Exchange. For the guidance of members there is a code of 180 rules drawn up.

Admission to the Stock Exchange is gained after service in the capacity of a clerk to a member for either two or four years. During the period of service an annual subscription has to be paid. Upon entering after two years' service a clerk is called upon to pay a sum of five hundred guineas, and to give the names of three members as sureties. If the service of the clerk has extended over four years the entrance fee is two hundred and fifty guineas, and only two sureties are required. The annual subscription is forty guineas.

Members are divided into two classes —jobbers and brokers. The former are those who deal specially in one or more particular groups of stocks, whilst the latter are the middlemen who deal between the public and the jobbers. Members are not allowed to advertise for business purposes, nor to issue circulars to persons other than their principals. For the protection of the public, who must transact business through a broker, there is a salutary rule to the effect that neither members nor their clerks may act in the double capacity of brokers and jobbers, and that the committee will not sanction partnership between them. No member of the Exchange may deal on the "cover" system.

In dealing with brokers there is a commission charged upon the nominal value of the stock or shares dealt in. The scale is not a fixed one, but the customary rate is as follows:—

British and Indian Government Securities 2*s.* 6*d.* per cent.
Colonial, Corporation, and Foreign Stocks 5*s.* per cent.
Home Railway Stocks 5*s.* to 10*s.* per cent.
American and Foreign Railway Securities 5*s.* to 10*s.* per cent.

Shares in mines, industrial companies, etc.:—

Under £1	nominal value,	3*d.* per share.
,, £2	,, ,,	6*d.* ,, ,,
,, £5	,, ,,	9*d.* ,, ,,
,, £10	,, ,,	1*s.* ,, ,,

and 6*d.* per share for every £5 per share in excess.

In all cases of dispute reference may be made to the Stock Exchange Committee, who exercise a judicial control over all the members.

On doing business for a client a broker who purchases forwards a contract note, advising the price of dealing, the amount of commission payable, and the stamp duties. In the case of some of the highest securities payment is required to be made at once, but very frequently it is only for the settlement. The settlements take place twice a month in the majority of cases, but in a few once a month. Special days are sometimes fixed for the settlement of fresh issues, but after a time these drop in on the ordinary days. At the settlement all payments are received or made, and if a member fails to meet his liabilities he is "hammered," that is, declared a defaulter and expelled. (See *Hammered.*)

Time bargains form a very important portion of the business of the Stock Exchange. They consist in agreements to deliver stock or shares on a certain day at a certain price, the buyer believing that the price will rise, and the seller that it will fall. When the appointed day arrives the matter is usually settled without any payment of principal, the losing party merely paying the difference in price. The price at which stock is sold, to be transferred at the next settling day, is called the price for the account. Sometimes, instead of closing the account on the settling day, the stock is carried on to a future day on such terms as the parties may agree to. This is called "carrying over," and the consideration for the accommodation is "contango."

The great Stock Exchanges of the continent of Europe are those of Amsterdam, Paris, and Frankfurt-on-the-Main, which, with the London Stock Exchange, practically decide the price of stocks all over the world. The Stock Exchanges of Petrograd, Berlin, and Vienna are of less importance.

STOCK-HOLDER. (Fr. *Actionnaire,* Ger. *Aktionar,* Sp. *Accionista,* It. *Azionista, capitalista.*)

A person who holds stock in the public funds, or in the funds of a joint-stock company.

STOCK-IN-TRADE. (Fr. *Fonds de commerce.* Ger. *Betriebsmaterial,* Sp. *Fondos del comercio,* It. *Capitale in commercio, cassa, merci, macchinario.*)

This is the name commonly used to denote the goods in stock, and the fittings, furniture, machinery, tools, and other appliances used to carry on any trade or business.

STOCK-JOBBER. (Fr. *Agioteur,* Ger. *Fondshändler,* Sp. *Agiotador,* It. *Aggiotatore.*)

A stock-jobber is a member of the Stock Exchange who carries on business with the dealers and with the public through the medium of stock-brokers. The jobbers are the stock dealers, and they constitute the market, the price at which they are prepared to transact business in any particular stock being termed its market price. The profits of jobbers arise out of the difference between their buying and selling prices, or the "turn" of the market, as it is called.

STOCK RECEIPT. (Fr. *Inscription,* Ger. *Effektenquittung,* Sp. *Titulo de la renta,* It. *Quietanza del titolo.*)

This is a receipt given by the seller of registered stock, on receiving the consideration money from the purchaser, and after having assigned the stock by signing the transfer book at the bank, which enables the purchaser to have the stock registered in his own name.

STOCK-TAKING. (Fr. *Inventaire,* Ger. *Inventur, Lageraufnahme,* Sp. *Inventario,* It. *Inventario periodico.*)

This is a periodical valuation of all goods on hand, together with the machinery, fittings, or appliances used in a business, so that they may be taken into account when balancing the books, and may enable the proprietor to ascertain his true position and worth.

STONE. (Fr. *Stone,* 6·35 *kilog.,* Ger. 6·35 *Kilogramm,* Sp. *Stone (peso inglés),* It. *Stone o chilogrammi* 6·35.)

A customary stone is a weight of 8 lbs. of butcher's meat, but a legal stone is a weight of 14 lbs.

STOP. (Fr. *Faire cesser le paiement,* Ger. *Aufhaltung,* Sp. *Suspensión,* It.

Sospensione, sospendere il pagamento, mettere il "fermo.")

This is a letter or order to a banker, instructing him not to pay a bank note, cheque, bill, or other document when such instrument has been lost or stolen. It must not be inferred that a bank has power to refuse payment when a note or cheque to bearer is presented. A holder in due course is not responsible for the previous history of the negotiable instrument, and cannot be deprived of his property in the same. But an inquiry into the circumstances of the case may lead to the tracing of the person who has been guilty of any dishonest dealing. In the case of a bank note this is all that can be done. An advertisement to the effect that certain bank notes have been stopped is valueless so far as a *bonâ fide* holder is concerned.

A stop order is an order of the court obtained by any person who is entitled to a fund, forbidding any dealing with the fund without notice being previously given to the applicant.

STOP A CHEQUE. (Fr. *Suspendre un chèque*, Ger. *einen Check aufhalten*, Sp. *Anular un cheque*, It. *Sospendere un cheque.*)

To stop a cheque, in cases where it has been lost or stolen, is to give written instructions to the banker upon whom it is drawn not to pay the cheque when presented without first ascertaining whether the party presenting the same has obtained it honestly or by fraud.

STOP ORDER. (Fr. *Limite*, Ger. *Limitum*, Sp. *Limite*, It. *Limite.*)

This American expression signifies that a broker has orders to sell on the best terms he can if the price should go against the operator and reach a named figure. For example, if a "bull" of 200 shares, standing at 90, sees that the market is weakening, he might give his broker a "stop order" at 85, which would mean that should the price fall to 85, the broker is to sell the shares at once for the best price he can obtain, even though he cannot get more than 83 for them.

STOPPAGE IN TRANSITU. (Fr. *Arrêt, saisie*, Ger. *Beschlagnahme unterwegs befindlicher Waren*, Sp. *Suspensión de tránsito*, It. *Arresto o sequestro della merce in transito.*)

This is the right of the seller, in the case of the insolvency of the buyer, to stop the goods and re-take possession of them, so long as they are on their way or in transit to the buyer, and are in the possession of a carrier or other person deputed to transmit them to the buyer. This right, like the right of lien, belongs to the seller who is unpaid, and can be exercised by him either by actually re-taking possession of the goods, or by giving notice to the carrier or other person, who has them in possession for the purpose of carriage, not to deliver them to the buyer.

The *transitus* commences when the goods are delivered to the carrier or other person. Its termination has been thus defined judicially: "When the goods have arrived at their destination, and have been delivered to the purchaser or his agent, or where the carrier holds them as warehouseman for the purchaser, and no longer as carrier only, the *transitus* is at an end. The destination may be fixed by the contract of sale, or by directions given by the purchaser to the vendor. But, however fixed, the goods have arrived at their destination, and the transit is at an end, when they have got into the hands of some one who holds them for the purchaser and for some other purpose than that of merely carrying them to the destination fixed by the contract or by the directions given by the purchaser to the vendor. The difficulty in each case lies in applying these principles."

The seller's right of stoppage *in transitu* is destroyed if a bill of lading or other document of title has been sent to the buyer, and the buyer has indorsed it for value to a third person.

The right of stoppage *in transitu* is conferred upon an unpaid seller by implication of law. Such implication may be rebutted; for, by the Sale of Goods Act, where any right arises under a contract of sale by implication of law, it may be negatived or varied by express agreement, or by the course of dealing between the parties, or by usage, if the usage is such as to bind both parties to the contract.

STORAGE. (Fr. *Magasinage*, Ger. *Lagermiete*, Sp. *Almacenaje*, It. *Magazzinaggio.*)

This is the charge made for storing or warehousing goods.

STORES. (Fr. *Munitions navales*, Ger. *Schiffsbedarf*, Sp. *Provisiones navales*, It. *Vettovaglie, provviste navali.*)

This is the general term for the provisions, etc., taken on board a ship for the maintenance of the passengers and crew during a voyage.

STOWAGE. (Fr. *Arrumage*, Ger. *Stauungslohn*, Sp. *Arrumaje*, It. *Stivaggio.*)

Stowage is the wages paid for stowing a ship.

STRADDLE. (Fr. *Double privilège*, Ger. *Gegentransaktion*, *Eindeckung*, Sp. *Doble privilegio*, It. *Doppio privilegio*.)

This is an American term for "put and call," but used when the price is the same, whether the stock is "put" or "called."

STRANDED. (Fr. *Échoué*, Ger. *gestrandet*, Sp. *Echado sobre la costa*, It. *Dare in secco, arenare*.)

This is a term in marine insurance for the running of a ship on a rock, a sandbank, or on shore, and allowing it to remain stationary there for any length of time.

STRIKE. (Fr. *Grève*, Ger. *Streik*, *Ausstand*, Sp. *Huelga*, It. *Sciopero*.)

The name "strike" is given to the action of a body of workmen refusing to work in order to secure higher wages, or to redress some grievance.

The combination of workmen for the purposes of a strike is no longer an illegal act; but by the Conspiracy and Protection of Property Act, 1875, workmen are liable to fine or imprisonment if they are guilty of any of the following things during the continuance of the strike:—

(1) Using violence to or intimidating any other person, his wife, or children, for the purpose of compelling that person to abstain from doing or to do any act which he has a legal right to do or to abstain from doing, or injuring his property;

(2) Persistently following such other person from place to place;

(3) Hiding any tools, clothing, etc., belonging to such person, and depriving him of, or hindering him in, the use of such tools, clothing, etc.

(4) Watching or besetting the house or other place where such person resides, works, or carries on business, or happens to be, or the approaches to such house or place;

(5) Following such person with two or more other persons in a disorderly manner in or through any street or road.

It has been held that there is neither watching nor besetting within the meaning of the statute when a workman on strike is in the neighbourhood of a house, workshop, or other place for the simple purpose of obtaining or communicating information.

Workmen who are employed by gas or water companies are specially restricted. They are liable to fine or imprisonment if they wilfully and maliciously break a contract of service with their employers if they know, or have reasonable cause to believe, that the probable consequences of their conduct, either alone or in combination with others, will have the effect of depriving the inhabitants of the place where they have been employed wholly, or to a great extent, of their supply of gas or water.

Gas and water companies are required to keep notices of the foregoing provisions conspicuously posted on their premises.

SUB-AGENT. (Fr. *Sous-agent*, Ger. *Unteragent*, Sp. *Subagente*, It. *Subagente*.)

This is a person employed by an agent to transact the whole or a portion of the business entrusted to the agent.

SUB-LEASE. (Fr. *Sous-bail*, Ger. *Aftermiete*, Sp. *Subarriendo*, It. *Subaffitto*, *sublocazione*.)

This is a lease made by a lessee to another person.

SUB-LET. (Fr. *Sous-louer*, Ger. *wiedervermieten*, Sp. *Subalrrendar*, It. *Subaffittare*.)

This is a letting by a tenant to another person.

SUBMISSION TO ARBITRATION. (See *Arbitration*.)

SUBPOENA. (Fr. *Citation*, Ger. *Citation*, *Vorladung*, Sp. *Citación*, It. *Citazione in giudizio*.)

A subpoena is a writ commanding the attendance of a person in court under a penalty. It is a compound of the two Latin words, *sub poenâ*, signifying "under a penalty."

There are two kinds of writs:—

(1) *Subpoena ad testificandum*. This is for the purpose of securing the attendance of a witness to give evidence.

(2) *Subpoena duces tecum*. This is for the purpose of securing the production of certain documents, in the possession of the witness, at the trial of an action, or at an arbitration. The documents must be specified on the writ.

SUBROGATION. (Fr. *Subrogation*, Ger. *Einsetzung in eines anderen Stelle*, Sp. *Subrogación*, It. *Surrogazione*.)

When an insurance has been effected and a loss afterwards sustained, any rights possessed by the insured are transferred to the insurer. This is called subrogation.

SUBSCRIBED CAPITAL. (Fr. *Capital souscrit*, Ger. *gezeichnetes Kapital*, Sp. *Capital suscrito*, It. *Capitale sottoscritto*.)

This is the amount of capital subscribed or guaranteed by shareholders

to a public company. Generally the subscribed capital is not paid at once, but only a certain portion is paid on allotment and the balance by "calls," either at stated intervals, or as may be required.

SUBSIDY. (Fr. *Subvention*, Ger. *Subvention, Unterstützung*. Sp. *Subsidio, subvención*, It. *Sussidio, sovvenzione.*)

This is an aid in money given by one person to another; or a pecuniary grant or assistance made by a state.

SUB-TENANT. (Fr. *Sous-locataire*, Ger. *Aftermieter*, Sp. *Subarrendador*, It. *Sublocatario, subaffittuario.*)

A sub-tenant is one who hires or leases houses or land from a person who is himself the tenant of some other person.

SUCCESSION DUTY. This is a duty payable on the interest which a person takes as successor to a deceased person on real or leasehold property in the United Kingdom, or on legacies charged upon the proceeds of sale of real estate of a person who died domiciled in this country, irrespective of the situation of the property; and also on personal property included in a settlement, whether the property is situated in the United Kingdom or not.

Succession duty varies as follows:—

	Per cent.
On the succession of husband or wife, or lineal ancestors or descendants	1
Brothers and sisters of the deceased or their descendants	5
Any other person	10

The duty is not payable—

(*a*) Where the principal value of the property passing on the death of the deceased in respect of which estate duty is payable (other than property in which the deceased never had an interest, and property of which the deceased never was competent to dispose and which on his death passes to persons other than the husband or wife, or a lineal ancestor or descendant of the deceased) does not exceed £15,000, whatever may be the value of the succession; or

(*b*) Where the amount or value of the succession together with any other successions derived by the same person from the testator, intestate, or predecessor does not exceed £1,000, whatever may be the principal value of the property; or

(*c*) Where the person taking the succession is the widow or a child under the age of 21 years of the testator, intestate, or predecessor, and the amount or value of the succession together with any other succession derived by the same person from the testator, intestate, or predecessor, does not exceed £2,000, whatever may be the principal value of such property.

The valuation is made in the same way as for estate duty, and payment may be made at once, or by eight equal yearly payments, or sixteen equal half-yearly payments, interest being charged upon the succession duty left unpaid at the rate of 3 per cent.

Persons who fail to give notice when there is a succession, and succession duty is payable, render themselves liable to heavy penalties.

SUE. (Fr. *Pour suivre*, Ger. *verklagen*, Sp. *Perseguir, entablar una acción*, It. *Citare, chiamare, perseguire.*)

To sue is to prosecute a suit at law for the payment of a debt, or for the recovery of damages or other relief for a loss suffered.

SUFFERANCE WHARF. (Fr. *Dépôt de marchandises en souffrance*, Ger. *Zollwerft*, Sp. *Muelle permitido*, It. *Molo per deposito di merci in sofferenza.*)

This is a wharf licensed by the Custom House, and at which an officer attends, where goods liable to duty may be landed or stored until the duty upon them has been paid.

SUPER-TAX. (See *Income Tax*)

SUPERANNUATION. (Fr. *Pension de retraite*, Ger. *Pension*, Sp. *Pension*, It. *Pensione per avanzata età.*)

This is a pension given on account of long service, old age, or infirmities.

SUPERCARGO. (Fr. *Subrécargue*, Ger. *Superkargo*, Sp. *Sobrecargo*, It. *Suprintendente al carico, sopraccarico.*)

This is a person who is sometimes engaged to go with a ship for the purpose of superintending the sale of the cargo, and of procuring other cargo or freight for the return voyage.

SURCHARGE. (Fr. *Surcharge, trop forte charge*, Ger. *Überladung, Überlast, Überforderung*, Sp. *Sobrecargo, sobrepeso*, It. *Sopraccarico.*)

This is a sum of money which is charged against an accounting party, beyond the amount which he admits that he has received or which he has improperly expended.

SURETY. A meeting may be:—

1. (Fr. *Garant*, Ger. *Gewährsmann*, Sp. *Garantizador*, It. *Garante.*)

A person who is bound by bond that he will be answerable for the debt of another person if it is not paid when due.

2. (Fr. *Répondant*, Ger. *Bürge*, Sp. *Fiador*, It. *Mallevadore, responsabile.*)

A person who is bound by bond that

he will be responsible for the performance of some duty undertaken by another. (See *Guarantee.*)

SURRENDER VALUE. (Fr. *Valeur de renoncement*, Ger. *Rückkaufswert*, Sp. *Valor de renuncia*, It. *Valore di rinunzia, valore di riscatto.*)

This term is applied generally to life insurance policies, and signifies that amount of money which the company is willing to give to the insured if the latter will surrender his policy and extinguish his claim upon them. The older a policy is, or the greater the number of premiums paid upon it, the higher is the surrender value.

In practice it is generally found that the market value of a life policy is from 15 to 20 per cent. greater than the surrender value. But many special considerations may cause this rule to vary.

SURVEY. (Fr. *Expertise*, Ger. *Besichtigung*, Sp. *Visita, aprecio*, It. *Perizia.*)

A survey is an inspection made, by an independent party, of goods which have suffered damage through any cause, and concerning which a question as to compensation arises. It is a very common thing for a survey to be made of goods which have been shipped and which have arrived at their destination in a damaged condition.

SURVEYOR OF CUSTOMS. (Fr. *Visiteur*, Ger. *Zollinspektor*, Sp. *Vista de aduana.*)

This is the officer in superintendence at a Custom House station or warehouse.

SUSPENSE ACCOUNT. (Fr. *Compte en suspens*, Ger. *Conto sospeso*, Sp. *Cuenta en suspenso*, It. *Conto in sospeso.*)

The account, used by merchants, bankers, and others, wherein sundry items are kept, which, owing to death, oversight, postal irregularities, or want of detail or information at the time of posting cannot be placed to their regular accounts in the books.

SUSPENSION OF PAYMENT. (Fr. *Suspension de paiements*, Ger. *Zahlungseinstellung*, Sp. *Suspensión de pagos*, It. *Sospensione dei pagamenti.*)

This signifies the cessation of the payment of any of the debts due by a banker, merchant, or other person, on becoming aware of his insolvency and complete inability to discharge the whole of his liabilities.

SWEATING COINS. (Fr. *Frai par le ballottage*, Ger. *den Wert von Münzen durch Schütteln verringern*, Sp. *Merma de la moneda*, It. *Erosione dolosa di monete che ne diminuisce il valore.*)

This refers to the practice of debasing money, formerly carried on to a large extent in England, by putting a number of gold coins in a bag and roughly shaking them together until a considerable portion of the metal was worn off by friction, the dust thus obtained being sold at a clear profit.

SWORN BROKERS. (Fr. *Courtiers assermentés*, Ger. *beeidigte Börsenmakler*, Sp. *Corredores jurados*, It. *Sensali giurati.*)

These are stock and other brokers, who are licensed by the authorities as fit and proper persons to act as agents for negotiating business, after having taken an oath and entered into a bond for due fulfilment of their duties. Sworn brokers are now unknown in England, but still exist on the bourses of Berlin and Vienna.

T. This letter is used in the following abbreviations:—

T.Q., Tale Quale (grain trade).

T.T., Telegraphic transfers.

TAEL. (Fr., Ger., Sp., and It., *Tael.*)

This is a Chinese measure of weight, equal to $1\frac{1}{3}$ oz. avoirdupois. The name is also given to a coin which has a circulating value of about 2*s.* $10\frac{3}{8}$*d.*

TAKE IN. (Fr. *Reporter, faire le report*, Ger. *in Report nehmen*, Sp. *Reportar*, It. *Fare il riporto.*)

This is a Stock Exchange expression meaning to receive backwardation (*q.v.*).

TAKE UP A BILL. (Fr. *Faire honneur à un effet*, Ger. *einen Wechsel einlösen*, Sp. *Pagar una letra de cambio*, It. *Onorare una cambiale o tratta.*)

To take up a bill is to pay the money value of a bill either to a banker or to the party who holds it. The term is synonymous with "retiring a bill."

TALE. (Fr. *Compte, chiffre*, Ger. *Zahl*, Sp. *Cuenta*, It. *Conto sinottico.*)

This term means the reckoning of goods by number and not by weight.

TALE QUALE. (Fr. *Tel quel*, Ger. *tale quale*, Sp. *Tal cual*, It. *Tale quale.*)

This is an expression used in contracts when grain and other produce is sold "to arrive." It means that the goods as they lie are held to be the same as the sample submitted, but the buyer takes the risk of any damage the produce may afterwards sustain during the voyage.

TALLY TRADE. (Fr. *Commerce à tempérament*, Ger. *Abzahlungsgeschäft*, Sp. *Comercio temporal*, It. *Commercio o pagamento rateale.*)

This is a system of dealing by which customers are furnished with articles on

credit, agreeing to pay the stipulated price in instalments.

TALLYING. (Fr. *Contrôller*, Ger. *kontrollieren*, Sp. *Ajustarse*, It. *Controllore*, *verificare*.)

This is the act of checking another's account — one counts while the other tallies or checks him.

TALON. (Fr. *Talon*, Ger. *Talon*, Sp. *Talón*, and It. *Taglio*.)

A talon is a certificate attached to transferable bonds (usually the last portion of the coupon sheet), to be exchanged for an additional series of coupons as soon as those on the coupon sheet have all been presented and paid.

TAPE PRICES. (Fr. *Prix télégraphiques*, Ger. *telegraphische Preise*, Sp. *Precios telegráficos*, It. *Prezzi telegrafici del cambio*.)

This term signifies the Stock Exchange and other market quotations as recorded on the "tape" of the instruments of the Exchange Telegraph Company.

TARE. (Fr. *Tare*, Ger. *Tara*, Sp. *Tara*, It. *Tara*.)

Tare is an allowance for the weight of the case, cask, bag, chest, or other package in which goods are secured.

1. Actual Tare. (Fr. *Tare réelle*, Ger. *wirkliche Tara*, Sp. *Tara real*, It. *Tara reale*.)

This means that the package has been weighed separately from the goods before they were packed.

2. Average Tare. (Fr. *Tare moyenne*, *tare commune*, Ger. *Durchschnittstara*, Sp. *Tara común*, It. *Tara media*.)

This is where the packages are numerous and of a similar size, and only a few are weighed so as to form an average for the whole.

3. Customary Tare. (Fr. *Tare d'usage*, Ger. *übliche Tara*, Sp. *Tara de costumbre*, It. *Tara d'uso*.)

This means the established allowance made for the weight of packages which are so invariably alike and of such uniform weight as to warrant a fixed percentage allowance being made for them.

4. Estimated Tare. (Fr. *Tare légale*, Ger. *geschätzte Tara*, Sp. *Tara legal*, It. *Tara legale*.)

This means that the package has not been actually weighed apart from the goods, but its weight has been estimated from the similarity of its size to those packages which have been weighed.

5. Super Tare. (Fr. *Surtare*, Ger. *Ubertara*, Sp. *Supratara*, It. *Sopratara*, *tara additionale*.)

This is an additional tare made in some instances when the package exceeds a certain weight.

TARIFF. (Fr. *Tarif*, Ger. *Tarif*, Sp. *Tarifa*, It. *Tariffa*.)

A tariff is a table of fixed charges. Also a list issued by the customs enumerating all the articles upon which duties are levied, showing the rates charged, and stating the articles which are prohibited and exempt, as well as those upon which drawback or bounty is allowed.

TASTING ORDER. (Fr. *Ordre d'échantillonnage*, Ger. *Probiererlaubnis*, Sp. *Orden de sacar muestras*, It. *Ordine di assaggio di campioni di liquidi*.)

This is an order chiefly used in the wine and spirit trade, authorising the dock company to allow the bearer to taste certain wines or spirits named in the order. They are issued by the owner or seller, and are of great service in commerce, intending buyers being enabled to taste the various growths or qualities in bulk as they are stored in the warehouse.

TELEGRAPH RESTANTE. (Fr. *Poste restante pour télégrammes*, Ger. *postlagerndes Telegramm*, Sp. *Poste restante para telegramas*, It. *Fermo telegrafo*.)

This is a term which is used when a telegram is to wait until called for at a telegraph office named.

TELEGRAPHIC MONEY ORDER. (Fr. *Mandat télégraphique*, Ger. *telegraphische Postanweisung*, Sp. *Orden telegráfica*, It. *Vaglia telegrafico*.)

This is a mode of remitting money by telegram through the Post Office. In addition to the cost of the telegram there is a charge for remittance, varying with the amount. (See *Money Orders*.)

TELEGRAPHIC TRANSFERS. (Fr. *Transferts télégraphiques*, Ger. *telegraphische Auszahlungen*, Sp. *Trasferencias por telégrafo*, It. *Tassa per vaglia telegrafici*.)

These are messages sent by telegraph, ordering the transfer of specified amounts from one person to another by means of debit and credit of their respective accounts. There is a daily rate quoted in the money market reports for transferring money from one country to another.

TELLER. (Fr. *Caissier*, Ger. *Kassengehilfe*, Sp. *Cajero*, It. *Computista cassiere*.)

This is the name given to the cashier who receives and pays out money over the counter of a bank.

TEMPORARY ANNUITY. (Fr. *Annuité*, Ger. *zeitweilige Annuität*, Sp.

Anualidad temporal, It. *Rendita temporanea.*)

This is an annuity which is payable for a limited number of years only, and which is to commence at once.

TENANT. (Fr. *Locataire*, Ger. *Mieter*, Sp. *Arrendatario, inquilino*, It. *Locatario, inquilino.*)

A tenant is a person who holds property, houses, or land from another under an agreement or lease, and pays rent for the same. (See *Landlord and Tenant.*)

TENDER. (Fr. *Soumission, offre*, Ger. *Angebot*, Sp. *Oferta*, It. *Offerta, esibizione scritta.*)

In one sense, a tender is a written offer to supply certain commodities upon specified terms.

The tender is the first step in the formation of a proposed contract. An advertisement, circular or other intimation that tenders are required for the carrying out of certain work or the purchase of certain goods is nothing more than an invitation to offer, and has no legal effect. Until the tender is accepted there is no binding contract. There is no *primâ facie* undertaking that the best or any offer will be accepted by the person who has invited the tenders.

In another sense, the word "tender" is used to denote an offer to perform a certain act or to pay a sum of money in discharge of an obligation.

"Tender is attempted performance; and the word is applied to attempted performances of two kinds, dissimilar in their results. It is applied to a performance of a promise to do something, and of a promise to pay something. In each case the performance is frustrated by the act of the party for whose benefit it is to take place."

With respect to tender in the case of a contract for the sale of goods, section 37 of the Act of 1893 is as follows:—

"When the seller is ready and willing to deliver the goods, and requests the buyer to take delivery, and the buyer does not within a reasonable time after such request take delivery of the goods, he is liable to the seller for any loss occasioned by his neglect or refusal to take delivery, and also for a reasonable charge for the care and custody of the goods. Provided that nothing in this section shall affect the rights of the seller where the neglect or refusal of the buyer to take delivery amounts to a repudiation of the contract."

The effect of such a tender of performance is to discharge the vendor from all liability under the contract, and he can either maintain or successfully defend an action for breach of the contract.

A tender of money, however, in discharge of a debt does not extinguish the debt. But the debtor should, if the money is not accepted, and an action is commenced against him, bring the amount into court and plead the tender. If the creditor then continues his action, and recovers no more than the amount tendered and paid into court, he will have to pay the defendant's costs of the action.

A tender, in order to be valid, must fulfil the following conditions:—

(*a*) The full amount must be actually produced unless the creditor expressly dispenses with or prevents its production. It must be of the whole debt, and no change can be demanded.

(*b*) It must be unconditional.

(*c*) It must be made to the creditor himself, or to an agent duly authorised to receive payments.

(*d*) It must be in the current coin of the realm. (See *Legal Tender.*)

TENEMENT. (Fr. *Local*, Ger. *gepachtetes Land*, Sp. *Inquilinaje*, It. *Tenuta, affittanza.*)

This is the general name for land or other property held by a tenant.

TENURE. (Fr. *Tenure*, Ger. *Mietsvertrag*, Sp. *Arrendamiento*, It. *Possesso sotto certe condizioni.*)

This is the manner of holding land or houses, as copyhold tenure, freehold tenure.

TERM DAYS. (Fr. *Termes*, Ger. *Zahltage*, Sp. *Días de pago*, It. *Giorni di scadenza.*)

These are either the days—quarter-days—upon which rents fall due, or the days upon which the legal terms begin

TERM OF A BILL. (Fr. *Terme d'un billet*, Ger. *Ziel eines Wechsels*, Sp. *Duración de una letra*, It. *Scadenza o termine di una cambiale.*)

This is the time for which a bill is drawn, as one month after sight.

TERMINABLE ANNUITIES. (Fr. *Annuités terminables*, Ger. *Annuitäten auf bestimmte Zeit*, Sp. *Anualidades terminables*, It. *Rendite annue a termine fisso.*)

These are annuities granted by Government, and by most insurance offices, for a period of years, or for the life of a person, in return for a present payment of money. The rate is fixed by actuarial calculation, based on the tables of the probabilities of life at certain ages.

THIRD CLASS PAPER. (Fr. *Valeurs de 3e classe*, Ger. *Wechsel dritter Güte*, Sp. *Valores de 3a órden*, It. *Valori di terza classe, valori di terz' ordine.*)

Bill-brokers and others divide commercial bills into various grades, calling them first, second and third class paper, according to the financial standing of the persons who are parties to the bills, and their reputation in the market.

THRO' AND THRO' COAL. (Fr. *Charbon-mélange*, Ger. *gemischte Kohlen*, Sp. *Mezcla de carbon*, It. *Mescolanza di carbone.*)

This is an expression now and then met with which is used to indicate a mixture of large and small coal.

TICKET DAY. (Fr. *Deuxième jour de la liquidation*, Ger. *zweiter Tag der Liquidation*, Sp. *Segundo dia de la liquidación*, It. *Secondo giorno di liquidazione.*)

This day, which is also called "name day," is the second day of the fortnightly settlement on the Stock Exchange.

The fortnightly settlement extends over three days. On the first day, which is called Contango, or Continuation Day, all speculative business, such as time bargains, are adjusted. On the second day, which is known as Ticket Day, tickets are passed between brokers and jobbers, by means of which they learn the amount of stocks and shares they have to deliver or receive on the following day. The differences are struck and the names of buyers are declared. The third day is Pay, Account, or Settling Day.

TIME BARGAIN. (Fr. *Marché à terme*, Ger. *Termingeschaft*, Sp. *Mercado á término*, It. *Contratto o mercato a termine.*)

A time bargain is a contract to buy or sell merchandise or stocks at a certain future time, but at a price arranged at the time the bargain is made.

TIME POLICY. (Fr. *Police à terme*, Ger. *Zeitpolice*, Sp. *Póliza á término*, It. *Polizza a termine fisso.*)

This is a marine insurance policy for a certain fixed period, not exceeding one year and thirty days in length. The risk undertaken is for any loss which may happen during that time, irrespective of the voyage or voyages undertaken. In the absence of special stipulation, there is no implied warranty of the seaworthiness of a vessel which is insured under a time policy.

TIP. (Fr. *Mot, tuyau*, Ger. *Fingerzeig, Wink*, Sp. *Sugestión*, It. *Informazione privata, suggerimento.*)

In business circles the word "tip" is frequently used to denote some private information given to another as likely to yield him a profit if he acts upon the advice give him.

TOKEN MONEY. (Fr. *Monnaies jetons*, Ger. *Markengeld*, Sp. *Monedas fiduciarias*, It. *Monete fiduciarie.*)

This is the name applied to those coins which are of less metallic value than the sum named upon them, but which can legally be exchanged for standard coins at fixed rates. The standard gold coins of this country, and of gold standard countries generally, are intrinsically worth the amounts named upon them, but the silver and bronze coins are not. When the value of any article is estimated in silver coinage, what is meant is the fraction of the standard gold coin to which it corresponds.

TOLLS. (Fr. *Droits, péages*, Ger. *Abgaben*, Sp. *Derechos, peajes*, It. *Gabelle, tasse di pedaggio.*)

Tolls are charges made by dock and canal companies upon the traffic conveyed by them. They are payable by the owners of the goods, and not by the vessel carrying them.

TON. (Fr. *Ton, tonne, tonneau*, Ger. *Tonne*, Sp. *Tonelada*, It. *Tonnellata.*)

An imperial ton is equal to 20 cwts. of 112 lbs., or 2,240 lbs. avoirdupois; but a ton in the United States and Canada is equivalent to 2,000 lbs. only.

TONNAGE. (Fr. *Tonnage*, Ger. *Tonnengehalt*, Sp. *Tonelaje, cabida*, It. *Tonnellaggio, portata.*)

The tonnage of a ship is its cubical capacity, one ton being estimated at 100 cubic feet. This registered tonnage does not in any way represent the carrying capacity of the ship.

TONNAGE DUES. (Fr. *Droits de tonnage*, Ger. *Tonnengeld*, Sp. *Derechos de tonelaje*, It. *Diritti di tonnellaggio.*)

These are charges of so much per ton made on a ship's registered tonnage, upon entering or leaving a port, in order to maintain and renew the mooring-chains, etc., kept for general use.

TONTINE. (Fr. *Tontine*, Ger. *Tontine*, Sp. *Tontina*, It. *Tontina.*)

The financial plan in which a number of persons pay a certain sum of money, for which they are each granted a life annuity. As each member dies his share is divided amongst the rest, and the last survivor inherits the whole.

TOWAGE. This word is used in two

1. (Fr. *Remorquage*, Ger. *Schleppen*, Sp. *Remolque*, It. *Rimorchio*.)

The act of towing a ship.

2. (Fr. *Touage*, Ger. *Schlepplohn*, Sp. *Atoaje*, It. *Spesa di rimorchio*.)

The payment made for such service.

TOWN TRAVELLER. (Fr. *Placier*, Ger. *Stadtreisender*, Sp. *Representante viajando en la ciudad*, It. *Piazzista*.)

A town traveller is one who does not go on a journey, but confines his circuit to the town or city in which his employer is established.

TRADE. (Fr. *Commerce*, Ger. *Handel*, Sp. *Comercio*, It. *Traffico*, *commercio*.)

This term is generally applied to buying, selling, and exchanging commodities, bills, money, and the like. Adam Smith divides the wholesale trade of a country into three different kinds, viz., the home trade, the foreign trade of consumption, and the carrying trade.

The home trade is employed in purchasing in one part and selling in another part of the same country the produce of the industry of the country and it comprehends both the inland and the coasting trade, or that which is carried on both by land and by sea.

The foreign trade of consumption is occupied in purchasing foreign goods for home use.

The carrying trade is engaged in carrying the produce of one country to another.

Retail trade is engaged in supplying private consumers with articles of daily want.

TRADE BILL. (Fr. *Effet de commerce*, Ger. *Handelswechsel*, Sp. *Letra comercial*, It. *Effetto commerciale*.)

A trade bill is one drawn in the usual course of trade for goods shipped, value received, etc. It is so named to distinguish it from an accommodation bill.

TRADE DISCOUNT. (Fr. *Escompte commercial*, *escompte de revente*, Ger. *Handelsskonto*, *Wiederverkaufsskonto*, Sp. *Descuento comercial*, *descuento de reventa*, It. *Sconto commerciale*, *sconto di rivendita*.)

This is a special allowance made by the sellers of goods to people who purchase the same for the purpose of re-sale.

TRADE-MARK. (Fr. *Marque de commerce*, *marque de fabrique*, Ger. *Schutzmarke*, Sp. *Marca de fábrica*, It. *Marca di fabbrica*.)

A trade-mark is a particular mark, stamp, or device, affixed or attached to manufactured goods, indicating to the public generally that the goods have been manufactured or otherwise dealt with by the person or persons who have affixed or attached the mark.

At common law there was no property in a trade-mark. But where a person had long been in the habit of making use of a particular mark, he could prevent, by proper proceedings, any other perso from fraudulently making use of the same or a similar mark to pass off the latter's goods as though they were those of the former.

Registration of a trade-mark was first required by the Trade Mark Registration Act, 1875. Various Acts referring to trade-marks were passed at different times, but the whole were finally consolidated by the Act of 1905, which is now the statute dealing with the subject.

A trade-mark must consist of or contain one at least of the following essential particulars:—

(*a*) The name of a company, individual, or firm represented in a special or particular manner.

(*b*) The signature of the applicant for registration or some predecessor in his business.

(*c*) An invented word or invented words.

(*d*) A word or words having no direct reference to the character or the quality of the goods, and not being according to its ordinary signification a geographical name or a surname.

(*e*) Any other distinctive mark, but a name, signature, or a word or words, other than such as fall within the descriptions in the above paragraphs (*a*), (*b*), (*c*), and (*d*), shall not, except by order of the Board of Trade, or the Court, be deemed a distinctive mark.

The majority of the cases upon the validity of a name, etc., as the subject of a trade-mark, have turned upon the third and fourth of these particulars.

Registration is effected by application in the prescribed form to the comptroller at the Patent Office. The application must be accompanied by a certain number of representations of the trade-mark, and a statement of the particular class of goods in connection with which the applicant desires that it should be registered. The application must be advertised by the comptroller, and any person may within two months give notice of opposition to the registration, either on the ground that the trade-mark is not a proper subject for registration, or that it so closely resembles a mark already registered that it is calculated to deceive. If the applicant does not,

after notice of opposition, proceed with his claim for registration, he will be presumed to have abandoned it.

As soon as a trade-mark is registered, the proprietor has a *primâ facie* right to its exclusive use. Registration is valid for fourteen years from the date of application, and can be renewed every fourteen years. The fees payable for application and registration are fixed by the Board of Trade.

A register of trade-marks is kept at the Patent Office. In it are entered all particulars as to trade-marks, the names and addresses of the grantees, notifications of assignments and transmissions, and such other matters as affect their validity and ownership.

As in the case of patents, most of the work in connection with application and registration is done through an agent.

A registered trade mark can be assigned, but its assignment can only take place together with the assignment of the goodwill of the business with which the trade-mark is connected.

By the Merchandise Marks Act, passed in 1887, it is an offence, punishable criminally, for any person to forge or falsely to apply a registered trade-mark, or a false description, to goods. If the goods of a foreign manufacturer are imported into this country, and bear the name or mark of any manufacturer, dealer, or trader in the United Kingdom, they must also bear a clear indication of the name of the country in which they have been produced.

TRADE PRICE. (Fr. *Prix marchand, prix faible*, Ger. *Engrospreis*, Sp. *Precio arreglado*, It. *Prezzo mercantile o ridotto pei rivenditori.*)

This is the market price of goods less a wholesale discount allowed to retailers who have to sell again.

TRADE RIGHTS. (Fr. *Droits de commerce*, Ger. *Handelsrechte*, Sp. *Derechos comerciales*, It. *Diritti del commercio.*)

This term designates those proprietary rights which, apart from brands and trade-marks, belong exclusively to the person or the firm who has built up an established trade or business. Such, for instance, is a trade name, or the name of a place of business, which if assumed by another person would be likely to take away business by misleading the public, and so divert business from the original proprietor.

TRADE UNION. (Fr. *Union ouvrière*, Ger. *Handwerkerverband*, Sp. *Unión obrera*, It. *Corporazione del lavoro, camera del lavoro, consolato operaio.*)

This is a combination of workmen, known as "Society men," whose object is to maintain their rights and privileges as to wages, hours of labour, and customs of the trade. All trades of any magnitude have now a union of their own, which they support by periodical contributions and levies.

These combinations were illegal until 1871. By an Act passed in that year, any seven or more members of a trade union may, by subscribing their names to the rules of the union, and otherwise complying with the provisions of the Act with respect to registry, register such trade union under the Act, provided that if any one of the purposes of such trade union is unlawful the registration is void. The registrars under the Act are the registrars of Friendly Societies. But although the existence of trade unions is legalised, the court will not entertain any legal proceedings to enforce or recover damages for the breach of any of the following agreements:—

(*a*) An agreement between members of a trade union as such, concerning the conditions on which any of the members shall not sell their goods, transact business, employ, or be employed.

(*b*) An agreement for the payment by any person of any subscription or penalty to a trade union.

(*c*) An agreement as to the funds of the union being applied for the benefit of the members, or for furnishing contributions to employers or workmen not members of the union, in consideration of such employers or workmen acting in conformity with the rules or resolutions of such trade union, or for paying any fine imposed upon any person by sentence of a court of justice.

(*d*) An agreement made between one trade union and another.

(*e*) A bond to secure the due performance of any of the foregoing agreements.

The result is, therefore, that the courts will not assist the unions in any way, but nevertheless they will not declare the agreement made by the unions unlawful, although some of them are clearly in restraint of trade, and therefore illegal at common law.

The chief contests in which the unions have been engaged have been in connection with strikes. In 1901, in the celebrated *Taff Vale* case, it was held that a trade union could be sued for acts which would make a private person

amenable to the law. This decision, however, is no longer law by reason of the Trades Disputes Act, 1906. In November, 1908, it was held by the Court of Appeal that the funds of a Trade Union could not be applied towards the payment of members of Parliament; but this decision, like that of 1901, has been rendered ineffectual by reason of the Trade Union Act of 1913, which has legalised such application of funds under certain specified conditions. It may be useful to quote the 3rd section of the Act, which is as follows:—

3.—(1) The funds of a trade union shall not be applied, either directly or in conjunction with any other trade union, association, or body, or otherwise indirectly, in the furtherance of the political objects to which this section applies (without prejudice to the furtherance of any other political objects), unless the furtherance of those objects has been approved as an object of the union by a resolution for the time being in force passed on a ballot of the members of the union taken in accordance with this Act for the purpose by a majority of the members voting; and where such a resolution is in force, unless rules, to be approved, whether the union is registered or not, by the Registrar of Friendly Societies, are in force providing—

(*a*) That any payments in the furtherance of those objects are to be made out of a separate fund (in this Act referred to as the political fund of the union), and for the exemption in accordance with this Act of any member of the union from any obligation to contribute to such a fund if he gives notice in accordance with this Act that he objects to contribute; and

(*b*) That a member who is exempt from the obligation to contribute to the political fund of the union shall not be excluded from any benefits of the union, or placed in any respect either directly or indirectly under any disability or at any disadvantage as compared with other members of the union (except in relation to the control or management of the political fund) by reason of his being so exempt, and that contribution to the political fund of the union shall not be made a condition for admission to the union.

(2) If any member of a trade union alleges that he is aggrieved by a breach of any rule made in pursuance of this section, he may complain to the Registrar of Friendly Societies, and the Registrar of Friendly Societies, after giving the complainant and any representative of the union an opportunity of being heard, may, if he considers that such a breach has been committed, make such order for remedying the breach as he thinks just under the circumstances; and any such order of the Registrar shall be binding and conclusive on all parties without appeal and shall not be removable into any court of law or restrainable by injunction, and on being recorded in the county court, may be enforced as if it had been an order of the county court. In the application of this provision to Scotland the sheriff court shall be substituted for the county court, and "interdict" shall be substituted for "injunction."

(3) The political objects to which this section applies are the expenditure of money—

(*a*) on the payment of any expenses incurred either directly or indirectly by a candidate or prospective candidate for election to Parliament or to any public office, before, during, or after the election in connection with his candidature or election; or

(*b*) on the holding of any meeting or the distribution of any literature or documents in support of any such candidate or prospective candidate; or

(*c*) on the maintenance of any person who is a member of Parliament or who holds a public office; or

(*d*) in connection with the registration of electors or the selection of a candidate for Parliament or any public office; or

(*e*) on the holding of political meetings of any kind, or on the distribution of political literature or political documents of any kind, unless the main purpose of the meetings or of the distribution of the literature or documents is the furtherance of statutory objects within the meaning of this Act.

The expression "public office" in this section means the office of member of any county, county borough, district, or parish council, or board of guardians, or of any public body who have power to raise money, either directly or indirectly, by means of a rate.

(4) A resolution under this section approving political objects as an object of the union shall take effect as if it were a rule of the union and may be rescinded in the same manner and subject to the same provisions as such a rule.

(5) The provisions of this Act as to the application of the funds of a union

for political purposes shall apply to a union which is in whole or in part an association or combination of other unions as if the individual members of the component unions were the members of that union and not the unions; but nothing in this Act shall prevent any such component union from collecting from any of their members who are not exempt on behalf of the association or combination any contributions to the political fund of the association or combination.

TRAFFIC RETURNS. (Fr. *État de recettes*, Ger. *Verkehrsbericht*, Sp. *Estadísticas de tráfico*, It. *Statistiche o bollettini periodici del traffico e delle entrate.*)

These are periodical statements issued by railway, tramway, and other companies, showing the income received from the goods and the passengers carried on their lines. The information is for the benefit of speculators and investors, who are enabled thereby to make comparisons and calculate the probable amount of dividend to be paid at the next distribution, and thus to anticipate a rise or a fall in the shares of the company.

TRANSFER. (Fr. *Transfert*, Ger. *Übertragung*, Sp. *Transferencia*, It. *Trasferimento.*)

The general meaning of the word "transfer" is to pass the right or the title to anything from one person to another. This can be accomplished in various ways, and the transaction can take place either actually or symbolically. Thus, in banking, when two persons transacting business together have an account at the same bank, the debtor would pay his creditor by a cheque on the bank, which cheque would be paid in for collection as usual, but the amount of money in the bank would remain the same, as the value of the cheque is simply transferred from one account to the other in the bank's books.

On the Stock Exchange a transfer is a document used by the seller of registered stocks and shares at the time of his transferring them to the buyer.

TRANSFER DAYS. (Fr. *Jours d'enregistrement des transferts*, Ger. *Skontrotag*, Sp. *Dias de registro de las transferencias*, It. *Giorni di registrazione dei trasferimenti o cessioni.*)

Transfer days are certain fixed days at the Bank of England, and some other banks, for entering the transfers of registered stock in their books. On these days transfers are made free of charge. If a transfer is made at any other time a fee is charged.

TRANSFEREE. (Fr. *Cessionnaire*, Ger. *Zessionar*, Sp. *Cesionario*, It. *Cessionario.*)

This is the person to whom a bill of exchange, or any other document, security, or article is transferred.

TRANSFEROR. (Fr. *Cédant*, Ger. *Übertrager*, Sp. *Cedente*, It. *Cedente.*)

The transferor is the person who parts with a bill of exchange or any other document, security, or article to another.

The transferor of a bill of exchange by mere delivery, that is, without indorsing it, warrants to his immediate transferee being a holder for value that the bill is what it purports to be, that he has a right to transfer it, and that at the time of transfer he is not aware of any fact which renders it valueless. But the transferor is not, in such a case, liable upon the instrument itself, nor is he liable on the consideration in respect of which he has transferred the bill, if the bill should be dishonoured, unless—

(1) The bill was given in respect of an antecedent debt; or

(2) It appears that the transfer was not intended to operate in full and complete discharge of such liability.

For example, A., the holder of a bill for £100, which has been indorsed in blank, discounts it with a banker for £90 without indorsing it. If the bill is dishonoured at or before maturity A. is not liable to refund the £90.

TRANSHIPMENT. (Fr. *Transbordement*, Ger. *Umladung*, Sp. *Transbordo*, It. *Trasbordo.*)

This is the act of transferring goods directly from one ship to another; the goods so transferred are said to be transhipped.

Goods which are liable to pay duty if imported into this country are often brought to a British port, and then sent off at once to some other destination. In order to avoid any difficulties as to duty it is necessary to follow the regulations laid down for transhipment by the Custom House authorities. The bill of lading is presented at the custom house, certain documents are prepared, and the freight is paid, upon which an authority is given to transfer the goods from one ship to another. The exporter has to give a bond for the due performance of the transhipment.

TRANSHIPMENT BOND NOTE. (Fr. *Transfert douanier*, Ger. *Umladungsschein*, Sp. *Permiso de transbordar*, It. *Nota doganale di trasbordo.*)

This forms an entry for the goods when dutiable goods are transhipped, and states that the party named has given security for the due transhipment and exportation of the goods named therein. This note is handed in to and is retained by the customs in all cases where dutiable goods are transhipped from one vessel to another.

TRANSHIPMENT DELIVERY ORDER. (Fr. *Permis de transfert maritime*, Ger. *Umladungslieferschein*, Sp. *Permiso de transbordo*, It. *Permesso di trasbordare.*)

This is a note used when dutiable goods are to be transhipped. It is addressed by the customs to their officer on board the incoming vessel, instructing him to send up in charge of an officer of customs the goods specified therein, to be delivered into the custody of the proper officer at the docks where the export steamer is lying.

TRANSHIPMENT FREE ENTRY. (Fr. *Entrée franc de droits pour le transbordement*, Ger. *steuerfreier Eintritt zur Umladung*, Sp. *Entrada franco de derechos para el transbordo*, It. *Entrata esente di dazio per il ricarico.*)

This is the form of customs entry inwards for free goods in transit or through letter of lading, when no bond is given.

TRANSHIPMENT PRICKING NOTE. (Fr. *Billet de transbordement douanier*, Ger. *Umladungsschein*, Sp. *Nota de transbordo*, It. *Nota di trasbordo.*)

This is another document also in use when dutiable goods are transhipped. It is addressed by the customs to their officer on board the export steamer, instructing him to receive the goods (by land or water, as the case may be), and is signed by him, as well as by the mate of the ship, as certifying to the shipment.

TRANSHIPMENT SHIPPING BILL. (Fr. *Certificat de transbordement*, Ger. *Umladungsschein*, Sp. *Certificado de transbordo*, It. *Certificato di trasbordo.*)

This forms the export entry for goods transhipped under bond. It is passed in the Long Room, and afterwards goes to the officer in charge of the export ship, who certifies as to the shipment and takes a mate's receipt for the goods on board.

TRANSIRE. (Fr. *Passavant*, Ger. *Ausfuhrerlaubnis*, Sp. *Permiso de tránsito*, It. *Permesso di transito in cabotaggio.*)

This is a document issued at the Custom House, drawn in duplicate, for use in the coasting trade, fully describing the goods on board a ship, and giving the names of the shipper and the consignee. The duplicate serves as the outward clearance of the vessel; and the original being given up when she reaches her destination, is her entry inwards. Most vessels engaged in the coasting trade have a general transire granted for a year.

TRAVELLER. (Fr. *Voyageur, commis voyageur*, Ger. *Reisender*, Sp. *Viajante*, It. *Viaggiatore. commesso viaggiatore.*)

A traveller is a person engaged by wholesale houses and manufacturers to canvass for orders, collect money, and represent their interests away from the establishments.

The rights and duties of a traveller will depend upon the terms of his engagement. He may be merely a servant of his principal or he may be in the position of an agent.

When a traveller is engaged to go abroad it is necessary to obtain information as to the terms upon which such a person will be allowed to transact business in each country he visits. Such information is obtainable at any consulate.

TREASURY. (Fr. *Ministère des finances*, Ger. *Schatzkammer*, Sp. *Ministerio de hacienda*, It. *Ministero delle finanze e tesoro.*)

This is the name given to the Government department which has charge of the finances of the country. The Prime Minister is usually the First Lord of the Treasury.

TREASURY BILLS. (Fr. *Billets du trésor*, Ger. *Schatzkammerschein*, Sp. *Cédulas del tesoro*, It. *Boni del tesoro.*)

These are instruments of credit issued by the Government as an acknowledgment for sums of money lent by private persons. Advertisements appear in the *Gazette* when the Government requires money in this way. There are three, six, and twelve months' Treasury bills; and, as the purchaser receives them at a discount, the operation is similar to the process of discounting an ordinary trade bill. Forms of tender for Treasury bills are obtainable at the Bank of England whenever an announcement appears in the *Gazette* inviting such tenders.

TREASURY BOND. (Fr. *Bon du trésor*, Ger. *Schatzkammerscheine*, Sp. *Bono del tesoro*, It. *Biglietto del tesoro.*)

This is the same thing as an Exchequer Bond (*q.v.*).

TRET. (Fr. *Réfaction*, Ger. *Refaktie*, Sp. *Rehacimiento*, It. *Rifazione, rifacimento.*)

This is an allowance of 4 lbs. on every

104 lbs. of certain articles of merchandise for dust, waste, etc.

TRIAL OF THE PYX. (See *Pyx.*)

TRIM. (Fr. *Arrimer*, Ger. *Kohlen stauen*, Sp. *Arrumar*, It. *Stivare, disporre convenientemente il carbone.*)

To "trim" coal is to stow it away properly in a ship's bunkers, so that it is equally distributed and not left in heaps or all in one place.

TRIMMER. (Fr. *Arrimeur*, Ger. *Kohlenstauer*, Sp. *Arrumador*, It. *Stivatore.*)

This is a person who is employed to trim or to stow coal in a ship's bunkers.

TRINITY HOUSE. (Fr. *Trinity House*, Ger. *Trinity House*, Sp. *Departamento de pilotos*, It. *Sezione della marina mercantile nel ministero della marina.*)

Trinity House is the corporation entrusted with the regulation and management of the lighthouses, buoys, and beacons of the shores and rivers of the United Kingdom, and with the licensing and appointment of pilots for the British coasts. It consists of thirteen acting elder brethren, of whom two are elected from the Royal Navy and eleven from the Merchant Service, and thirteen honorary elder brethren. The acting members attend at the Admiralty Court to act as assessors, and they also advise the Board of Trade in nautical matters. The income of the corporation is about £300,000 per annum, and is expended, under the auditorship of the Board of Trade, on the various duties already mentioned, in pensions to decayed masters of the mercantile marine, and in administrative expenses.

It is believed that Trinity House dates back to the time of King Alfred. It rose to a position of importance in the reign of Henry VIII, who granted a charter in 1518 for the purpose, among other things, of improving the breed of seamen. The full title of the body is the Corporation of the Elder Brethren of the Holy and Undivided Trinity.

TROY WEIGHT. (Fr. *Poids troy*, Ger. *Karatgewicht*, Sp. *Peso troy*, It. *Pesi troy per preziosi.*)

This is a measure of weight now rare in this country, differing from the avoirdupois most commonly in use, and limited to the weighing of gold, silver, platinum, diamonds, and other precious stones. The pound troy is that from which all other weights are obtained; $\frac{1}{12}$ of it is the ounce troy, $\frac{1}{20}$ of the ounce is a pennyweight, and $\frac{1}{24}$ of a pennyweight is a grain. There are, therefore, 5,760 grains in a pound troy, whilst 7,000 such grains go to make a pound avoirdupois.

TRUCK SYSTEM. (Fr. *Paiement en marchandises*, Ger. *Tauschsystem*, Sp. *Pago en mercancías*, It. *Pagamento in generi o merci.*)

This is the practice of paying workmen wholly or partly in goods instead of money. The system is now rendered illegal by the Truck Acts.

The word is derived from the French, *troc*, which means an exchange of goods without the intervention of money.

TRUCKAGE. (Fr. *Camionnage*, Ger. *Rollgeld*, Sp. *Gastos de carruaje*, It. *Spese di trasporto con carri.*)

This is a charge made for the use of railway and other trucks as distinct from a charge for carriage.

TRUE DISCOUNT. (Fr. *Véritable escompte*, Ger. *wirklicher Skonto*, Sp. *Verdadero descuento*, It. *Vero sconto.*) (See *Discount.*)

TRUST. (See *Trustee.*)

TRUST. (Fr. *Monopole*, Ger. *Monopol, Ring*, Sp. *Monopolio, unión de fabricantes*, It. *Monopolio.*)

This is the name applied to large combinations of business firms, where several have been amalgamated into one large company.

The object of the various trusts is to prevent the continuous fall in prices arising from competition. Small businesses are compelled to give way and to disappear when opposed to similar businesses which command a large amount of capital. The larger houses are then left to compete amongst themselves. Profits are reduced to a minimum, and the contest is nothing but a fight between capitalists, from which the public alone derive any advantage. It was to prevent this continuous ruinous contest that the first combinations of capitalists took place, by which prices were regulated, and from the time of the establishment of the Standard Oil Trust in America, in 1882, the idea has pervaded all the principal commercial countries so far as the greatest of its industries are concerned.

It is obvious that the chief aim of trusts is to obtain a private monopoly. If all the firms engaged in any particular business were to combine this would be easily attained; but it has been found in practice that a few firms remain outside the combinations, and that trusts have not quite a monopoly, but the power of dominating the market.

But the effect is in reality nearly the same.

The trusts claim certain advantages for their methods of trading. It is said that there is an economy in production owing to the large scale upon which raw material is bought, and to the use of the best kinds of machinery and processes, that there is better organisation, that there is economy in transport, and that there are advantages in sale owing to the elimination of superfluous expenses. But on the other hand there are the evils naturally arising from the stifling of healthy competition, and the arbitrary methods invariably accompanying the possession of an enormous capital, and these vastly outweigh any of the advantages claimed for the existence of trusts.

The problem of trusts is one of the greatest industrial questions of the present day, and owing to the fact that there are now in contemplation international organisations of huge dimensions, the question is one not affecting any particular country, but the world as a whole.

TRUST DEED. (Fr. *Acte de fidéicommis*, Ger. *Pfandurkunde*, Sp. *Asignación de síndico*, It. *Scrittura.*)

A deed conveying property to a trustee or trustees. The most common form is that of a deed of arrangement (*q.v.*) by which an insolvent debtor conveys his property, with the acquiescence of his creditors, for the purpose of an equitable division without the publicity and expense of going through the Bankruptcy Court.

TRUSTEE. (Fr. *Curateur*, Ger. *Pfandhalter*, Sp. *Curador*, It. *Curatore.*)

A trust may be defined as a confidence reposed by one person in conveying or bequeathing property to another that the latter will apply it to purposes directed by the former. The person in whom the confidence is reposed is called the trustee, and the persons for whose benefit the trust is created are termed the *cestuis que trustent*. If there is but one beneficiary he is the *cestui que trust*.

Trusts owe their origin in England to the ingenuity of the ecclesiastics. At all events, they have existed from a very early period in the history of this country, and the control of trustees by the Chancery Division of the High Court dates back to the reign of Richard II. That control has been exercised ever since, and the rules and principles relating to the duties, obligations, and liabilities of trustees consist almost entirely of what is known as judge-made law, varied to some extent by modern statutes.

Trustees are appointed, in general, by the instrument creating the trust, whether a will or a deed, and provision ought to be made as to who is to have the appointment of new trustees when the first ones die or wish to retire from the trust. Any person may be a trustee, though it is not advisable to name an infant to act as such, especially if he is to be a sole trustee. There may be matters of importance to attend to before he attains the age of twenty-one, and others which he could not undertake at all during his minority. But, in order to prevent a deadlock the court will, on proper cause being shown, appoint another person to act so long as the minority lasts. No one is compelled to act as trustee any more than as executor. But if he once interferes with the trust property, or does anything in respect of the trust, he cannot disclaim until he has been discharged or finally released. A disclaimer need not be in writing, though it is safer not to rely upon one made by parol only.

The choice of trustees is not an easy matter, especially as great responsibilities may attach to the position. Some trustees are inclined to favour the beneficiaries at the expense of the trust fund; others are of an opposite nature, and cause trouble on every possible occasion. The person to seek is one who will carry out the terms of the trust with the utmost strictness, but who will nevertheless put no obstacles in the way of doing anything which can be beneficial to the trust estate generally—in fact, who will take some personal interest at least in the matter. It has been said: "The best persons to be appointed trustees are men of substance and position, friends of the family and interested in their welfare, but not very closely connected. Of such persons (if they are to be found) it is desirable to appoint three where the property is considerable, and two where it is of moderate compass. Even where the property is small it is, as a rule, highly inexpedient to appoint a sole trustee."

The first duty of trustees is to reduce the subject matter of the trust into their possession, and if it consists of inscribed securities to have them transferred into their joint names, and they must take the same care of the trust estate as they would be expected to take if it

were their own, and they must themselves do such acts as a man would usually himself do in business. But they are justified in delegating to professional people such work as is in the ordinary course of business committed to such people, for example, the sale and the receipt of the purchase money of stocks and shares to brokers, the sale and the receipt of the deposit of the purchase money of land to auctioneers, and the receipt of the purchase money of land to solicitors.

They must invest trust moneys according to the directions contained in the trust instrument, and in default of such directions, in the modes authorised by the Trustee Act, 1893, as to which the broker who buys for them is always a competent adviser.

When it is considered that trustees generally act without any personal remuneration, the law appears to treat them with excessive stringency, for in the execution of their trusts and the administration of the trust estates they are liable for a mistake as much as for a wilful breach of trust. They can, however, and in every case of difficulty they should, apply to a judge of the Chancery Division of the High Court for directions as to what they ought to do, or as to any question arising out of the administration of their trusts. This can be done promptly and inexpensively at the cost of the trust estate, and the opinion of the judge if followed will operate as an indemnity to the applicants.

There is a popular notion that there can be one acting trustee, and another or others dormant. But this is a fallacy. A trustee who stands by and permits his co-trustee to commit an act of malversation incurs the same measure of liability as if he had himself joined in it.

Trustees are not justified in allowing moneys to remain uninvested or in placing them on deposit with their bankers. As it is not right to allow one trustee to receive dividends on behalf of himself and his co-trustees, and as it is often inconvenient and occasions delay to send dividend warrants and cheques to all the trustees for indorsement, the plan usually adopted is that trustees give a power of attorney in the case of consols, and a written authority in other cases for their own bankers to receive the dividends as they become due from the Bank of England and the companies whose debentures, stocks, or shares such trustees hold. Their bankers then place the dividends to the account of the trustees. When there is only one *cestui que trust*, for instance, a tenant for life, the trustees also give their bankers authority to honour his cheques to the amounts so paid in to their account, but where there are numerous *cestuis que trustent* cheques must, of course, be drawn to each of them separately for the purpose of distribution.

Where land is held in trust for an infant, the trustees must manage or superintend the management by an agent of the land, with power to cut timber or underwood, erect, pull down, rebuild, and repair houses and other buildings, continue the working of mines and quarries which have usually been worked, drain and improve the land, insure against fire, make arrangements with tenants to let on yearly or short tenancies, but not to grant leases. If it is desired to let on leases application must be made to a judge of the Chancery Division for his sanction thereto.

The trustees can, at their discretion, apply the whole or any portion of the income arising out of land or other property for the infant's maintenance, education, or benefit, or pay it to his parents or guardians. This is entirely a matter for the trustees, and it is immaterial whether there is any other fund available for the purpose, or any person bound by law to provide for the infant's maintenance and education or not. Any surplus of the income which has been so applied must be invested and accumulated at compound interest, but the trustees may at any time apply the accumulations as if they were income arising in the then current year. Of course these powers only apply if and so far as a contrary intention is not expressed in the instrument under which the infant's interest arises, and have effect subject to the terms of that instrument.

This is quite in accordance with the general principle upon which trustees are bound to act. The principal or *corpus* of the property is to be held intact as long as the trust continues. The income, unless expressly ordered to be accumulated for a period allowed by the law, can generally be devoted for the benefit of the *cestuis que trustent*, and if the trust instrument is silent upon the point an application may be made to the Chancery Division.

Where a trustee is dead or remains out of the United Kingdom for more than

twelve months, or desires to be discharged from his office, or refuses or is unfit to act, or is incapable of acting, then the person or persons nominated for the purpose by the instrument creating the trust or (if there is no such person, or no such person able and willing to act), the surviving or continuing trustee or trustees, or the personal representatives of the last surviving or continuing trustee may by writing appoint another person or other persons to be a trustee or trustees in the cases mentioned. A *cestui que trust* should never be appointed a trustee of the fund of which he is a beneficiary, nor a husband trustee for his wife, for the interest of a trustee should not conflict with his duty; and a person who has the power of appointing a new trustee may not nominate himself—for a man himself is not a proper judge of his own qualifications for the office.

A trustee may retire if there are two or more trustees continuing, but he cannot do so leaving the trust fund in the hands of one trustee. Another must be appointed in his place so as to make the number at least two, though that number may be increased.

In all cases of difficulty recourse can be had to the Chancery Division for the appointment of a trustee. The court can also, if requested to do so by a person creating a trust, or by a trustee or beneficiary, appoint a judicial trustee either jointly with another, or as sole trustee, and can give him directions how to act, fix his remuneration, and order his accounts to be audited yearly.

Trustees may reimburse themselves out of their trust funds for all expenses properly incurred by them, but unless otherwise directed by the instrument creating the trust their services and office must be gratuitous. There must not be the slightest suspicion of any profit made or advantage taken through dealing with the trust property. For example, a sale of property to the trustee himself is always regarded with suspicion, and is likely to be impeached. Again, if trustees deal with the money of their *cestuis que trustent*, they are accountable for any profit made by them, and responsible for any loss which may arise Also, if they mix trust money with their own, and any transactions take place with the mixed fund, it is the money of the trustee which is presumed to be utilised for the purpose, whilst the money of the *cestuis que trustent* is held to be intact, so long as there is sufficient left of the mixed fund to cover the same.

By several modern statutes certain indemnities have been given to trustees in order to lighten the burdens placed upon them by judicial decisions. Thus, by the Trustee Act, 1893, in the case of signing receipts for conformity, a trustee is relieved unless a loss has arisen through his own act or wilful default. And where a breach of trust has been instigated by a *cestui que trust*, his interest can be impounded towards recouping the trustee. By the later Trustee Act, 1896, where it appears to the court that a trustee is or may be personally liable for any breach of trust whenever it occurred, but has acted honestly and reasonably and ought fairly to be excused for the breach, and for omitting to obtain the directions of the court in the matter in which he has committed such breach, the court may relieve the trustee either wholly or in part from personal liability. But a prudent man will not rely on these indemnity clauses and powers of obtaining recoupment or relief. He should in all cases act strictly in accordance with his duties, remembering that if a wrong is done he may have to bear all losses himself, for between wrongdoers there is no contribution, and the *cestuis que trustent* may claim against him alone, and leave out his co-trustee. If the friction between the different parties becomes great, the safest course for the trustee who disapproves of the contemplated breaches of trust to adopt, is to take measures to have the trust funds paid into court, and to free himself from the trust.

When all the purposes for which a trust was created have been fulfilled, and before a final distribution of the property is made, the trustees should submit their accounts to the beneficiaries, and obtain a formal release from them. They are entitled to do this at the expense of the trust estate. The release should set out all that has been done in respect of the estate, and should be by deed.

A trustee of any property, whether for the use or benefit of a private person, or for any public or charitable purpose, is liable to be convicted of a misdemeanour and sentenced to penal servitude if he is found guilty of converting or appropriating any part of the trust property to his own use and benefit. No prosecution can be instituted without the consent of the Attorney-General.

The legislature has very wisely made provision for a judicial trustee in recent years, in order to avoid the difficulties of trustees in general, and also to avoid as far as possible the losses which frequently occur in the administration of estates. The judicial trustee is an official appointed by the Judicial Trustee Act, 1896. Under the Act power is conferred upon a judge of the High Court or any county court judge possessing jurisdiction, in any case where application is made by a person creating a trust, or by any trustee or beneficiary under an existing trust, to appoint a fit and proper person as a judicial trustee, whose duty it is to administer the trust either alone or in conjunction with another person. Also if a good cause is shown a judicial trustee may be appointed to act in the place of existing trustees. The trustee is remunerated at a fixed rate out of the trust funds. The duties imposed upon him are prescribed by the court, but his main duty is that of rendering yearly accounts of his trust in a prescribed manner.

Supplementary to this Act of 1896, an Act was passed in 1906 for the appointment of a public trustee, the great object being to protect estates of small value, which are likely to be squandered in various ways. The Act came into force on the 1st January, 1908. It provides in the first place for the establishment of the office of a public trustee, a corporation sole with perpetual succession and a common seal. Subject to certain rules the public trustee is to act—(a) in the administration of estates of small value; (b) as a custodian trustee; (c) as an ordinary trustee; (d) as a judicial trustee; (e) as an administrator of the property of a convict under the Forfeiture Act, 1870. He is empowered to act either alone or jointly with any person or body of persons in any capacity to which he is appointed, and has all the powers, duties, and liabilities, and has also, generally speaking, all the rights and immunities of a private trustee acting in a similar capacity. He has the right to decline, absolutely or except on certain conditions, to accept any trust, but this right cannot be exercised only on the ground of the small value of the property. Trusts which involve the carrying on of business, the administration of the affairs of a debtor under a deed of assignment, or similar trusts, are not ordinarily within his province, and he can never act in respect of trusts created solely for religious or charitable purposes.

The Act is too lengthy for any detailed information to be given as to its working. Enough, however, has been said to point out how the legislature has attempted to meet the public requirements of trusteeship by the appointment of a public official who will be bound to perform his duties fairly and honestly, and who will no doubt be considered as a boon by the poorer classes of the community. As the public trustee is bound to supply all necessary information on the subject, any person may confidently appeal to him for directions if it is considered that the case is one which calls for his interference.

The service rendered by the public trustee will not be gratuitous to the public. Certain fees will be demanded, but these are not of a heavy nature and need cause no feeling of alarm in the minds of those people who are anxious to obtain security for the small funds which are to be held in trust.

Trustee Investments.—1. The following are the investments which are authorised by the Trustee Act, 1893:—

(*a*) In any of the parliamentary stocks, or public funds, or Government securities of the United Kingdom.

(*b*) On real or heritable securities in Great Britain or Ireland (but not on equitable or second mortgages, leaseholds, or on mortgages of unlet houses).

(*c*) In Bank of England or Bank of Ireland stock.

(*d*) In India 3½ per cent. and 3 per cent. stock, or in any other capital stock which may be issued by the Secretary of State in Council of India, under the authority of an Act of Parliament, and charged on the revenues of India.

(*e*) In any securities the interest of which is for the time being guaranteed by Parliament.

(*f*) In consolidated stock created by the Metropolitan Board of Works, or by the London County Council, or in debenture stock created by the receiver of the metropolitan police.

(*g*) In the debenture, guaranteed, or preference stock of any railway in Great Britain or Ireland, incorporated by special Act of Parliament, which has during each of the ten years preceding the investment paid a dividend of not less than 3 per cent. per annum on ordinary stock.

(*h*) In the stock of any railway or canal company of Great Britain or Ireland, whose undertaking is leased in perpetuity

or for not less than 200 years, at a fixed rental to such a railway company as is mentioned in sub-s. (*g*), either alone, or jointly with some other railway company.

(*i*) In the debenture stock of any railway company in India the interest on which is paid or guaranteed by the Secretary of State in Council of India.

(*j*) In the "B" annuities of the Eastern Bengal, the East Indian, and the Scinde Punjaub and Delhi railways, and any like annuities which may be created on the purchase of a railway by the Secretary of State in Council of India, and charged on the revenues of India, and authorised by Act of Parliament to be accepted by trustees in lieu of any stock held by them in the purchased railway; also in deferred annuities comprised in the register of holders of annuity, Class D, and annuities comprised in the register of annuitants, Class C, of the East Indian Railway Company.

(*k*) In the stock of any railway in India upon which a fixed or minimum dividend in sterling is paid or guaranteed by the Secretary of State in Council of India, or upon the capital of which the interest is so guaranteed.

(*l*) In the debenture, guaranteed, or preference stock of any trading water company in Great Britain or Ireland which is incorporated by special Act of Parliament, or by royal charter, and which has, during the ten years preceding the investment, paid a dividend of not less than 5 per cent. on its ordinary stock.

(*m*) In nominal or inscribed stock issued, or to be issued, by the corporation of a municipal borough, having, according to the last census, a population exceeding 50,000, or by any County Council, under the authority of an Act or provisional order.

(*n*) In nominal or inscribed stock issued, or to be issued by any commissioners incorporated by Act to supply water, and having a compulsory power of levying rates over an area having, according to the last census returns, a population exceeding 50,000, provided that during the ten years preceding the rates levied by the commissioners have not exceeded 80 per cent. of the amount authorised by law to be levied.

(*o*) In any of the stocks, funds, or securities for the time being authorised for the investment of cash under the control or subject to the order of the High Court.

To the above list must now be added War Loan Stock.

The trustees may from time to time vary any of these investments.

2. Under the powers of the Act trustees may invest in any of the above securities, even though they are redeemable and the price is in excess of the redemption value. But no price exceeding the redemption value must be paid for any of the stocks mentioned in sub-sections (*g*), (*i*), (*k*), (*l*) and (*m*) above, which are liable to be redeemed within fifteen years of the date of purchase at par or at some fixed rate, or when the price exceeds 15 per cent. above par or the fixed rate. Any stock, fund, or security purchased in accordance with the power of the Act may be held until redemption.

3. Every power conferred upon trustees as to investment may be exercised at their discretion, but always subject to any consent required by the instrument, if any, creating the trust with respect to the investment of the trust funds.

4. The powers conferred by the Act are in addition to any conferred by the instrument creating the trust.

5. Where there is a power given to trustees to invest in real securities, they may, unless specially forbidden by the instrument creating the trust, invest—

(*a*) On mortgage of property held for an unexpired term of not less than 200 years, and not subject to a reservation of rent greater than a shilling a year, or to any right of redemption or to any condition for re-entry, except for non-payment of rent; and

(*b*) On any charge, or mortgage of any charge, made under the Improvement of Land Act, 1864.

6. If there is a power conferred by the instrument creating the trust to invest in the mortgages or bonds of any railway or any other description of company, the trustees are empowered, unless the contrary is expressed, to invest in the debenture stock of the railway or company.

7. Trustees are not chargeable with a breach of trust for lending money on the security of property merely because of the proportion borne by the amount of the loan to the value of the property, at the time when the loan was made, provided that the court thinks that in making the loan they were acting upon the report as to the value of the property of a person whom they reasonably

believed to be a competent surveyor, or of a valuer instructed and employed independently of the property, whether such surveyor or valuer carries on business in the locality where the property is situate or elsewhere, and that the amount of the loan does not exceed two-thirds of the value of the property as stated in the report, and that the loan was made upon the advice of the surveyor or valuer expressed in the report. In lending upon leaseholds trustees are not guilty of a breach of trust because they have dispensed with the investigation of the title of the lessor, nor because in buying or lending money on property they have accepted a shorter title than they might have required, provided the title accepted is such as a person acting with ordinary prudence and caution would have accepted.

8. If trustees improperly advance money on a mortgage security which would at the time of the investment be a proper investment in all respects for a smaller sum than is actually advanced thereon, the security is held to be an authorised investment for the smaller sum, and the trustees are only liable to make good the sum advanced in excess together with such interest.

TRUSTEE IN BANKRUPTCY. (Fr. *Syndic de la faillite*, Ger. *Massenverwalter*, Sp. *Sindico de la quiebra*, It. *Sindaco del fallimento, curatore della massa.*)

This is the person appointed by the creditors of a debtor who has been adjudicated a bankrupt to manage the estate of the bankrupt during the liquidation of his affairs. Until the appointment is made the Official Receiver acts in that capacity. The trustee is often assisted by a committee of inspection, also elected by the creditors from their own number, who likewise serve the purpose of watching over the administration, and of seeing that everything is carried out in the general interest of all parties concerned. The main duties of a trustee are to realise the estate, by getting in all the assets available, to disclaim unprofitable contracts, to examine into the character of the bankrupt's dealings, to keep accurate accounts, and to distribute dividends. At the close of his labours he is to report to the Board of Trade, from whom he obtains his discharge.

As a business man may easily be called upon hurriedly to act as trustee in bankruptcy, it is as well that he should be fully acquainted with the statutory requirements attached to the office. The following sections of the Bankruptcy Act, 1914, are important, and are set out *in extenso* :—

19.—(1) Where a debtor is adjudged bankrupt, or the creditors have resolved that he be adjudged bankrupt, the creditors may by ordinary resolution appoint some fit person, whether a creditor or not, to fill the office of trustee of the property of the bankrupt; or they may resolve to leave his appointment to the committee of inspection hereinafter mentioned.

A person shall be deemed not fit to act as trustee of the property of a bankrupt where he has been previously removed from the office of trustee of a bankrupt's property for misconduct or neglect of duty.

(2) The person so appointed shall give security in manner prescribed to the satisfaction of the Board of Trade, and the Board, if satisfied with the security, shall certify that his appointment has been duly made, unless they object to the appointment on the ground that it has not been made in good faith by a majority in value of the creditors voting, or that the person appointed is not fit to act as trustee, or that his connection with or relation to the bankrupt or his estate or any particular creditor makes it difficult for him to act with impartiality in the interests of the creditors generally.

(3) Provided that, where the Board make any such objection they shall, if so requested by a majority in value of the creditors, notify the objection to the High Court, and thereupon the High Court may decide on its validity.

(4) The appointment of a trustee shall take effect as from the date of the certificate.

(5) The official receiver shall not, save as by this Act provided, be the trustee of the bankrupt's property.

(6) If a trustee is not appointed by the creditors within four weeks from the date of the adjudication, or, in the event of there being negotiations for a composition or scheme pending at the expiration of those four weeks, then within seven days from the close of those negotiations by the refusal of the creditors to accept, or of the court to approve, the composition or scheme, the official receiver shall report the matter to the Board of Trade, and thereupon the Board of Trade shall appoint some fit person to be trustee of the bankrupt's property, and shall certify the appointment.

(7) Provided that the creditors or the

committee of inspection (if so authorised by resolution of the creditors) may, at any subsequent time, if they think fit, appoint a trustee, and, on the appointment being made and certified, the person appointed shall become trustee in the place of the person appointed by the Board of Trade.

(8) Where a debtor is adjudged bankrupt after the first meeting of creditors has been held, and a trustee has not been appointed prior to the adjudication, the official receiver shall forthwith summon a meeting of creditors for the purpose of appointing a trustee.

37.—(1) The bankruptcy of a debtor, whether it takes place on the debtor's own petition or upon that of a creditor or creditors, shall be deemed to have relation back to, and to commence at, the time of the act of bankruptcy being committed on which a receiving order is made against him, or, if the bankrupt is proved to have committed more acts of bankruptcy than one, to have relation back to, and to commence at, the time of the first of the acts of bankruptcy proved to have been committed by the bankrupt within three months next preceding the date of the presentation of the bankruptcy petition; but no bankruptcy petition, receiving order or adjudication shall be rendered invalid by reason of any act of bankruptcy anterior to the debt of the petitioning creditor.

(2) Where a receiving order is made against a judgment debtor in pursuance of section one hundred and seven of this Act, the bankruptcy of the debtor shall be deemed to have relation back to, and to commence at, the time of the order, or if the bankrupt is proved to have committed any previous act of bankruptcy, then to have relation back to, and to commence at, the time of the first of the acts of bankruptcy proved to have been committed by the debtor within three months next preceding the date of the order.

48.—(1) The trustee shall, as soon as may be, take possession of the deeds, books, and documents of the bankrupt, and all other parts of his property capable of manual delivery.

(2) The trustee shall, in relation to and for the purpose of acquiring or retaining possession of the property of the bankrupt, be in the same position as if he were a receiver of the property appointed by the High Court, and the court may, on his application, enforce such acquisition or retention accordingly.

(3) Where any part of the property of the bankrupt consists of stock, shares in ships, shares, or any other property transferable in the books of any company, office, or person, the trustee may exercise the right to transfer the property to the same extent as the bankrupt might have exercised it if he had not become bankrupt.

(4) Where any part of the property of the bankrupt is of copyhold or customary tenure, or is any like property passing by surrender and admittance or in any similar manner, the trustee shall not be compellable to be admitted to the property, but may deal with it in the same manner as if it had been capable of being and had been duly surrendered or otherwise conveyed to such uses as the trustee may appoint; and any appointee of the trustee shall be admitted to or otherwise invested with the property accordingly.

(5) Where any part of the property of the bankrupt consists of things in action, such things shall be deemed to have been duly assigned to the trustee.

(6) Subject to the provisions of this Act with respect to property acquired by a bankrupt after adjudication, any treasurer or other officer, or any banker, attorney, or agent of a bankrupt, shall pay and deliver to the trustee all money and securities in his possession or power, as such officer, banker, attorney, or agent, which he is not by law entitled to retain as against the bankrupt or the trustee. If he does not, he shall be guilty of a contempt of court, and may be punished accordingly on the application of the trustee.

76.—The official name of a trustee in bankruptcy shall be "the trustee of the property of a bankrupt" (inserting the name of the bankrupt), and by that name the trustee may, in any part of the British dominions or elsewhere, hold property of every description, make contracts, sue and be sued, enter into any engagements binding on himself and his successors in office, and do all other acts necessary or expedient to be done in the execution of his office.

Appointment.

77.—(1) The creditors may, if they think fit, appoint more persons than one to the office of trustee, and when more persons than one are appointed they shall declare whether any act required or authorised to be done by the trustee is to be done by all or any one or more of such persons, but all

such persons are in this Act included under the term "trustee," and shall be joint tenants of the property of the bankrupt.

(2) The creditors may also appoint persons to act as trustees in succession in the event of one or more of the persons first named declining to accept the office of trustee, or failing to give security, or of the appointment of any such person not being certified by the Board of Trade.

78.—(1) If a vacancy occurs in the office of a trustee, the creditors in general meeting may appoint a person to fill the vacancy, and thereupon the same proceedings shall be taken as in the case of a first appointment.

(2) The official receiver shall, on the requisition of any creditor, summon a meeting for the purpose of filling any such vacancy.

(3) If the creditors do not, within three weeks after the occurrence of a vacancy, appoint a person to fill the vacancy, the official receiver shall report the matter to the Board of Trade, and the Board may appoint a trustee; but in such case the creditors or committee of inspection shall have the same power of appointing a trustee in the place of the person so appointed by the Board of Trade as in the case of a first appointment.

(4) During any vacancy in the office of trustee the official receiver shall act as trustee.

Control over Trustee.

79.—(1) Subject to the provisions of this Act, the trustee shall, in the administration of the property of the bankrupt and in the distribution thereof amongst his creditors, have regard to any directions that may be given by resolution of the creditors at any general meeting, or by the committee of inspection, and any directions so given by the creditors at any general meeting shall, in case of conflict, be deemed to override any directions given by the committee of inspection.

(2) The trustee may from time to time summon general meetings of the creditors for the purpose of ascertaining their wishes, and it shall be his duty to summon meetings at such times as the creditors, by resolution, either at the meeting appointing the trustee or otherwise may direct, and it shall be lawful for any creditor, with the concurrence of one-sixth in value of the creditors (including himself), at any time to request the trustee or official receiver to call a meeting of the creditors, and the trustee or official receiver shall call such meeting accordingly within fourteen days:

Provided that the person at whose instance the meeting is summoned shall deposit with the trustee or the official receiver, as the case may be, a sum sufficient to pay the costs of summoning the meeting, such sum to be repaid to him out of the estate if the creditors or the court so direct.

(3) The trustee may apply to the court in manner prescribed for directions in relation to any particular matter arising under the bankruptcy.

(4) Subject to the provisions of this Act, the trustee shall use his own discretion in the management of the estate and its distribution among the creditors.

80.—If the bankrupt or any of the creditors, or any other person, is aggrieved by any act or decision of the trustee, he may apply to the court, and the court may confirm, reverse, or modify the act or decision complained of, and make such order in the premises as it thinks just.

81.—(1) The Board of Trade shall take cognizance of the conduct of trustees, and, in the event of any trustee not faithfully performing his duties, and duly observing all the requirements imposed on him by statute, rules, or otherwise, with respect to the performance of his duties, or in the event of any complaint being made to the Board by any creditor in regard thereto, the Board shall inquire into the matter and take such action thereon as may be deemed expedient.

(2) The Board may at any time require any trustee to answer any inquiry made by them in relation to any bankruptcy in which the trustee is engaged, and may, if the Board think fit, apply to the court to examine on oath the trustee or any other person concerning the bankruptcy.

(3) The Board may also direct a local investigation to be made of the books and vouchers of the trustee.

Remuneration and Costs.

82.—(1) Where the creditors appoint any person to be trustee of a debtor's estate, his remuneration (if any) shall be fixed by an ordinary resolution of the creditors, or, if the creditors so resolve, by the committee of inspection, and shall be in the nature of a commission or percentage, of which one part shall be payable on the amount realised by the trustee, after deducting any sums paid to secured creditors out of the proceeds of their securities, and the

other part on the amount distributed in dividend.

(2) If one-fourth in number or value of the creditors dissent from the resolution, or the bankrupt satisfies the Board of Trade that the remuneration is unnecessarily large, the Board of Trade shall fix the amount of the remuneration.

(3) The resolution shall express what expenses the remuneration is to cover, and no liability shall attach to the bankrupt's estate, or to the creditors, in respect of any expenses which the remuneration is expressed to cover.

(4) Where a trustee acts without remuneration, he shall be allowed out of the bankrupt's estate such proper expenses incurred by him in or about the proceedings of the bankruptcy as the creditors may, with the sanction of the Board of Trade, approve.

(5) A trustee shall not, under any circumstances whatever, make any arrangement for or accept from the bankrupt, or any solicitor, auctioneer, or any other person that may be employed about a bankruptcy, any gift, remuneration, or pecuniary or other consideration or benefit whatever beyond the remuneration fixed by the creditors and payable out of the estate, nor shall he make any arrangement for giving up, or give up, any part of his remuneration, either as receiver, manager, or trustee, to the bankrupt or any solicitor or other person that may be employed about a bankruptcy.

83.—(1) Where a trustee or manager receives remuneration for his services as such, no payment shall be allowed in his accounts in respect of the performance by any other person of the ordinary duties which are required by statute or rules to be performed by himself.

(2) Where the trustee is a solicitor, he may contract that the remuneration for his services as trustee shall include all professional services.

(3) All bills and charges of solicitors, managers, accountants, auctioneers, brokers, and other persons, not being trustees, shall be taxed by the prescribed officer, and no payments in respect thereof shall be allowed in the trustee's accounts without proof of such taxation having been made. The taxing master shall satisfy himself before passing such bills and charges that the employment of such solicitors and other persons, in respect of the particular matters out of which such charges arise, has been duly sanctioned. The sanction must be obtained before the employment, except in cases of urgency, and in such cases it must be shown that no undue delay took place in obtaining the sanction.

(4) Every such person shall, on request by the trustee (which request the trustee shall make a sufficient time before declaring a dividend), deliver his bill of costs or charges to the proper officer for taxation, and, if he fails to do so within seven days after receipt of the request, or such further time as the court, on application, may grant, the trustee shall declare and distribute the dividend without regard to any claim by him, and thereupon any such claim shall be forfeited as well against the trustee personally as against the estate.

Receipts, Payments, Accounts, Audit.

84.—The trustee or official receiver shall, whenever required by any creditor so to do, furnish and transmit to him by post a list of the creditors showing the amount of the debt due to each creditor, and shall be entitled to charge for such list the sum of threepence per folio of seventy-two words, together with the cost of the postage thereof.

85.—It shall be lawful for any creditor, with the concurrence of one-sixth of the creditors (including himself), at any time to call upon the trustee or official receiver to furnish and transmit to the creditors a statement of the accounts up to the date of such notice, and the trustee shall, upon receipt of such notice, furnish and transmit such statement of the accounts:

Provided that the person at whose instance the accounts are furnished shall deposit with the trustee or official receiver, as the case may be, a sum sufficient to pay the costs of furnishing and transmitting the accounts, which sum shall be repaid to him out of the estate if the creditors or the court so direct.

86.—The trustee shall keep, in manner prescribed, proper books, in which he shall from time to time cause to be made entries or minutes of proceedings at meetings, and of such other matters as may be prescribed, and any creditor of the bankrupt may, subject to the control of the court, personally or by his agent, inspect any such books.

87.—(1) Every trustee in a bankruptcy shall from time to time, as may be prescribed, and not less than once in every year during the continuance of the bankruptcy, transmit to the Board of Trade a statement showing the proceedings in the bankruptcy up to the date

of the statement, containing the prescribed particulars, and made out in the prescribed form.

(2) The Board of Trade shall cause the statements so transmitted to be examined, and shall call the trustee to account for any misfeasance, neglect, or omission, which may appear on the said statements or in his accounts or otherwise, and may require the trustee to make good any loss which the estate of the bankrupt may have sustained by the misfeasance, neglect, or omission.

88.—No trustee in a bankruptcy or under any composition or scheme of arrangement shall pay any sums received by him as trustee into his private banking account.

89.—(1) The Bankruptcy Estates Account shall continue to be kept by the Board of Trade with the Bank of England, and all moneys received by the Board of Trade in respect of proceedings under this Act shall be paid to that account.

(2) Every trustee in bankruptcy shall, in such manner and at such times as the Board of Trade with the concurrence of the Treasury direct, pay the money received by him to the Bankruptcy Estates Account at the Bank of England, and the Board of Trade shall furnish him with a certificate of receipt of the money so paid.

Provided that—

(*a*) if it appears to the committee of inspection that, for the purpose of carrying on the debtor's business or of obtaining advances, or because of the probable amount of the cash balance, or if the committee shall satisfy the Board of Trade that for any other reason it is for the advantage of the creditors that the trustee should have an account with a local bank, the Board of Trade shall, on the application of the committee of inspection, authorise the trustee to make his payments into and out of such local bank as the committee may select;

(*b*) in any bankruptcy composition or scheme of arrangement in which the official receiver is acting as trustee, or in which a trustee is acting without a committee of inspection, the Board of Trade may, if for special reasons they think fit to do so, upon the application of the official receiver or other trustee, authorise the trustee to make his payments into and out of such local bank as the Board may direct.

(3) Where the trustee opens an account in a local bank, he shall open and keep it in the name of the debtor's estate, and any interest receivable in respect of the account shall be part of the assets of the estate, and the trustee shall make his payments into and out of the local bank in the prescribed manner.

(4) Subject to any general rules relating to small bankruptcies under section one hundred and twenty-nine of this Act, where the debtor at the date of the receiving order has an account at a bank, such account shall not be withdrawn until the expiration of seven days from the day appointed for the first meeting of creditors, unless the Board of Trade, for the safety of the account, or other sufficient cause, order the withdrawal of the account.

(5) If a trustee at any time retains for more than ten days a sum exceeding fifty pounds, or such other amount as the Board of Trade in any particular case authorise him to retain, then, unless he explains the retention to the satisfaction of the Board of Trade, he shall pay interest on the amount so retained in excess at the rate of twenty per centum per annum, and shall have no claim to remuneration, and may be removed from his office by the Board of Trade, and shall be liable to pay any expenses occasioned by reason of his default.

(6) All payments out of money standing to the credit of the Board of Trade in the Bankruptcy Estates Account shall be made by the Bank of England in the prescribed manner.

90.—(1) Whenever the cash balance standing to the credit of the Bankruptcy Estates Account is in excess of the amount which in the opinion of the Board of Trade is required for the time being to answer demands in respect of bankrupts' estates, the Board of Trade shall notify the same to the Treasury, and shall pay over the same or any part thereof as the Treasury may require to the Treasury, to such account as the Treasury may direct, and the Treasury may invest the said sums or any part thereof in Government securities to be placed to the credit of the said account.

(2) Whenever any part of the money so invested is, in the opinion of the Board of Trade, required to answer any demands in respect of bankrupts' estates, the Board of Trade shall notify to the Treasury the amount so required, and the Treasury shall thereupon repay to the Board of Trade such sum as may be required to the credit of the Bankruptcy Estates Account, and for that

purpose may direct the sale of such part of the said securities as may be necessary.

(3) The Treasury, out of any sums so paid to them, may pay such sums as they consider necessary for defraying the expenses of providing office accommodation for any officer performing duties under this Act.

(4) If, after any sum is so expended, the Board of Trade notify to the Treasury that an amount is required to answer the demands in respect of bankrupts' estates, and the securities and moneys held by the Treasury on the account mentioned in this section are insufficient to pay the amount so required, the Treasury shall, for the purpose of meeting the deficiency, charge on and pay out of the Consolidated Fund or the growing produce thereof, the sum expended in pursuance of the last subsection, or of any corresponding enactment repealed by this Act, or such part thereof as appears to them to be required.

(5) The dividends on the investments under this section shall be paid to such account as the Treasury may direct, and regard shall be had to the amount thus derived in fixing the fees payable in respect of bankruptcy proceedings.

91.—The Treasury may issue to the Board of Trade in aid of the votes of Parliament, out of the receipts arising from fees, fee stamps, and dividends on investments under this Act any sums which may be necessary to meet the charges estimated by the Board of Trade in respect of salaries and expenses under this Act.

92.—(1) Every trustee shall, at such times as may be prescribed, but not less than twice in each year during his tenure of office, send to the Board of Trade, or as they direct, an account of his receipts and payments as such trustee.

(2) The account shall be in a prescribed form, shall be made in duplicate, and shall be verified by a statutory declaration in the prescribed form.

(3) The Board of Trade shall cause the accounts so sent to be audited, and, for the purposes of the audit, the trustee shall furnish the Board with such vouchers and information as the Board may require, and the Board may at any time require the production of and inspect any books or accounts kept by the trustee.

(4) When any such account has been audited, one copy thereof shall be filed and kept by the Board, and the other copy shall be filed with the court, and each copy shall be open to the inspection of any creditor, or of the bankrupt, or of any person interested.

Vacation of Office by Trustee.

93.—(1) When the trustee has realised all the property of the bankrupt, or so much thereof as can, in his opinion, be realised without needlessly protracting the trusteeship, and distributed a final dividend, if any, or has ceased to act by reason of a composition having been approved, or has resigned, or has been removed from his office, the Board of Trade shall, on his application, cause a report on his accounts to be prepared, and, on his complying with all the requirements of the Board, shall take into consideration the report, and any objection which may be urged by any creditor or person interested against the release of the trustee, and shall either grant or withhold the release accordingly, subject nevertheless to an appeal to the High Court.

(2) Where the release of a trustee is withheld, the court may, on the application of any creditor or person interested, make such order as it thinks just, charging the trustee with the consequences of any act or default he may have done or made contrary to his duty.

(3) An order of the Board releasing the trustee shall discharge him from all liability in respect of any act done or default made by him in the administration of the affairs of the bankrupt, or otherwise in relation to his conduct as trustee, but any such order may be revoked on proof that it was obtained by fraud or by suppression or concealment of any material fact.

(4) The foregoing provisions of this section shall apply to an official receiver when he is, or is acting as, trustee, and when an official receiver has been released under this section, or any previous similar enactment, he shall continue to act as trustee for any subsequent purpose of the administration of the debtor's estate, but no liability shall attach to him personally by reason of his so continuing in respect of any act done, default made, or liability incurred before his release.

(5) Where the trustee has not previously resigned or been removed, his release shall operate as a removal of him from his office, and thereupon the official receiver shall be the trustee.

(6) Where, on the release of a trustee, an official receiver is, or is acting as, trustee, no liability shall attach to him

personally in respect of any act done or default made, or liability incurred, by any prior trustee.

94.—If a receiving order is made against a trustee, he shall thereby vacate his office of trustee.

95.—(1) The creditors may, by ordinary resolution, at a meeting specially called for that purpose, of which seven days' notice has been given, remove a trustee appointed by them, and may, at the same or any subsequent meeting, appoint another person to fill the vacancy as hereinafter provided in case of a vacancy in the office of trustee.

(2) If the Board of Trade are of opinion—

(*a*) that a trustee appointed by the creditors is guilty of misconduct, or fails to perform his duties under this Act; or

(*b*) that his trusteeship is being needlessly protracted without any probable advantage to the creditors; or

(*c*) that he is by reason of lunacy, or continued sickness or absence, incapable of performing his duties; or

(*d*) that his connection with or relation to the bankrupt or his estate, or any particular creditor, might make it difficult for him to act with impartiality in the interest of the creditors generally; or

where in any other matter he has been removed from office on the ground of misconduct, the Board may remove him from his office, but, if the creditors by ordinary resolution disapprove of his removal, he or they may appeal against it to the High Court.

TURN OF THE MARKET. (Fr. *Différence*, Ger. *Unterschied*, Sp. *Diferencia*, It. *Differenza.*)

This is the difference between the two prices quoted in the list of stocks and shares. For example, when consols are quoted at two prices, it means that a stockjobber is willing to buy at the lower and to sell at the higher price, the difference between the two quotations being the "jobber's turn," or "the turn of the market."

TURN OVER. (Fr. *Chiffre d'affaires*, Ger. *Umsatz*, Sp. *Cifra de los negocios*, It. *Cifra d'affari.*)

In business, this expression denotes the amount of money which has been traded upon by buying and selling during a certain period.

TYPE. (Fr. *Type, caractère*, Ger. *Type Druckbuchstabe*, Sp. *Tipo*, It. *Tipo.*)

Type is the name generally given to the metal characters used in printing. All type-founders cast their type as nearly as possible to one uniform height, but the letters may have varying breadth. The ordinary type used in this volume is Minion or 7-Point. Each column has 63 lines, and is technically known as 11½ Pica ems wide, the total width of page including centre rule being 24 Pica ems.

The following are the names of the different kinds of type most frequently used in printing, with an example of each, and about the number of letters which would be contained in a page the same size as this Guide:—

Pearl (*or 5-Point*), 10,240 letters.

This type is used mostly in book work, and is known as

This is not the smallest size, but the two smaller sizes are rarely used.

Nonpareil (*or 6-Point*), 6,800 letters.

This type is used mostly in book work, and is

Minion (*or 7-Point*), 4,850 letters.

This type is used mostly in book work, an

Brevier (*or 8-Point*), 3,920 letters.

This type is used mostly in book work,

Bourgeois (*or 9-Point*), 3,320 letters.

This type is used mostly in book w

Long Primer (*or 10-Point*), 2,560 letters

This type is used mostly in book

Small Pica (*or 11-Point*), 2,200 letters.

This type is used mostly in b

Pica (*or 12-Point*), 1,700 letters.

This type is used mostly i

English (*or 14-Point*), 1,350 letters.

This type is used mostly

Great Primer (*or 18-Point*), 830 letters

This type is used m

Type is now almost invariably cast on what is termed the point system, which varies slightly from the old system, and the equivalents in points are shown in italics.

U. This letter is used in the following abbreviations:—

- **U/a.,** Underwriting Account (Marine Insurance).
- **Ult.,** Ultimo—Of the Last Month.
- **U.S.A.,** United States of America.
- **U/w.,** Underwriter.

ULLAGE. (Fr. *Manquant, vidange,* Ger. *Manko,* Sp. *Merma,* It. *Calo, colaggio.*)

This word means:—

(1) The waste in casks or bottles of liquids owing to leakage, breakage, evaporation, or racking.

(2) The difference between the full capacity of a cask, etc., and the quantity it actually contains.

ULTIMO (Latin). (Fr. *Du mois dernier, de l'écoulé, écoulé,* Ger. *voriger Monat,* Sp. *Último,* It. *Ultimo, scorso.*)

This means "the last month."

ULTRA VIRES. (Fr. *En dehors de ses pouvoirs,* Ger. *ausserhalb der Ermachtigung,* Sp. *En exceso de sus poderes,* It. *Fuori delle sue facoltà.*)

Any body, corporate or incorporate, is said to act *ultra vires,* when it acts or purports to act in excess of the powers conferred upon it.

UMPIRE. (Fr. *Tiers arbitre,* Ger. *dritte Schiedsrichter,* Sp. *Juez árbitro,* It. *Soprarbitro, terzo arbitro.*)

This is the person who is called in to decide a dispute. In arbitrations the umpire is a third person selected by the arbitrators themselves to decide between them when they have failed to agree.

UNCALLED CAPITAL. (Fr. *Fonds, capitaux pas appelés,* Ger. *unaufgefordertes Kapital,* Sp. *Fondos, capitales no llamados,* It. *Versamenti, capitali non chiamati.*)

This is the portion of the subscribed capital of a company which is not called up by the directors.

UNDER BOND. (Fr. *En entrepôt,* Ge *unter Zollverschluss,* Sp. *Bajo fianza, e depósito aduanero, en custodia aduanera,* It. *Nel magazzino doganale.*)

Imported goods are said to be under bond when they are stored in a Government warehouse pending the payment of the duty upon them or until they are re-imported.

UNDER PROTEST. (Fr. *Protesté,* Ger. *mit Protest,* Sp. *Bajo protesto,* It. *Sotto protesto.*)

Money is said to be thus paid when it is illegally or excessively demanded, and paid to avoid the threatened consequences.

UNDERWRITER. (Fr. *Assureur maritime,* Ger. *Assekurant, Versicherer,* Sp. *Asegurador,* It. *Assicuratore marittimo.*)

This is the usual name given to a marine insurer, so-called because he underwrites or subscribes his name to each policy in which he is concerned, as a guarantee that, in case of loss, he will be answerable for the amount subscribed by him. (See *Lloyd's.*)

UNDERWRITING CAPITAL. (Fr. *Assurance de capital,* Ger. *Kapitalversicherung, Kapital zeichnen,* Sp. *Seguro de capital,* It. *Sottoscrizione del capitale sociale.*)

Underwriting is a species of insurance, or rather it is the application of the principle of insurance to company formation. Its object is to guard against the risk that shares, debentures, or debenture stock offered for public subscription may not be taken up. This is effected by a certain number of people, who are called "underwriters," guaranteeing that they themselves will subscribe the whole or a portion of the shares, debentures, or debenture stock if the public fail to do so. Since the passing of the Companies Act, 1900, with the provision as to "minimum subscription" before going to allotment, it is clear that many projected enterprises must be ruined unless a considerable portion of the capital is practically secured before the concern is offered to the public. The provisions as to underwriting are now contained in the Companies (Consolidation) Act, 1908.

Generally the underwriting is done by a number of persons, but sometimes the whole of an issue is underwritten by a company or by one or two persons. The *modus operandi* is thus described by Sir F. B. Palmer: "The underwriter writes a letter addressed to the founder or promoter or to the company, agreeing to underwrite a specified amount of what is to be offered, upon the footing that he is only bound to take up his rateable proportion of what the public do not take up; and that in any event he is to be paid a commission, either in cash or paid-up shares, or in some other shape. Such a letter is generally expressed in the form of an agreement . . . but in effect it operates only as an offer, and, to become binding—to be converted into a contract—it must be accepted by the other party, and notice of such acceptance given to the underwriter. The acceptance may be in writing or oral, and it is *primâ facie* no objection that the notice of acceptance is not given until after the list has closed, for the court is not disposed to import into underwriting contracts implied conditions in derogation of the express terms of the contract. The underwriting letter usually provides that if the underwriter makes default in applying, the other party to the

underwriting agreement may apply for the shares on his behalf. This authority, if properly framed, is effective and irrevocable where there is a complete contract, as above; for, in such cases, it is one of the terms of the contract that the authority shall subsist, and it is not open to one party to a contract by any notice to the other to revoke what is a term of the contract. It happens sometimes, however, that such an authority is expressed in contingent terms, as, for instance: 'I will, if called on by you, subscribe, etc., and if I make default you are to be at liberty, etc.' Where this is the case, the authority does not arise until after condition performed, that is, after the underwriter has been called on to subscribe; and, accordingly, if the other party exercises the authority before that has been done, the allotment will be ineffective. Even where the underwriting letter has not been accepted by the person to whom it was addressed, and there is, therefore, no contract, the underwriter may, in some cases, be held bound by an application made by the other party in professed exercise of the authority conferred by the letter in his possession. The principle of this is that the applicant has an apparent authority from the underwriter to apply, and the underwriter is therefore, as against the company accepting the application in good faith and without notice of any qualification or condition affecting the authority, estopped from denying the validity of the authority. . . . The principle would, of course, not apply if the company knew from the form of the letter or *aliunde* that the authority was qualified or conditional.

"An agreement to take shares must be distinguished from an agreement to place shares. One who merely agrees to place does not underwrite, and is not bound to take those he does not place.

"A contract to underwrite debentures is not specifically enforceable; the remedy sounds only in damages. The real security for the performance of the contract and payment of subsequent instalments is the liability to forfeiture of application moneys and earlier instalments."

Before the passing of the Companies Act, 1900, the business of underwriting capital was carried on between the underwriters and the promoters or vendors of the company, since it was doubtful whether the company could legally pay any commission in respect of the same. But now it is lawful for a company to pay such commission, but under the following conditions:—

(1) The shares of the company, or a portion of them, must be offered to the public for subscription.

(2) The commission proposed must not be in excess of the rate authorised by the articles of association.

(3) The agreement to pay and the rate to be paid must be disclosed in the prospectus.

The amount or rate of commission to be paid should not be too high, otherwise difficulties may arise, seeing that in one case it was held that the payment of a commission of 7*s.* per 10*s.* share to subscribers, and also of a commission to underwriters, was a scheme to issue shares at a discount and therefore *ultra vires*. It is not easy to see the reason of this decision, because the financial result of underwriting is always practically to issue shares at a discount.

If an underwriter takes up the shares of a company on the faith of a prospectus which contains misrepresentations, he has the same right to repudiate his shares as any other subscriber.

An agreement to underwrite capital, like any other agreement, requires a 6*d.* stamp. If under seal a 10*s.* deed stamp is necessary. There is no need of an additional power of attorney stamp because the contract contains an authority to apply for shares on behalf of the underwriter.

UNDISCHARGED BANKRUPT. (Fr. *Failli (banqueroutier) pas déchargé*, Ger. *entlassener Fallit, nicht freigesprochener Bankrottierer*, Sp. *Fallido (quebrado) no descargado*, It. *Fallito (bancarottiere) no scaricato.*)

Before a person who has been adjudicated bankrupt can regain his former status, he must apply for his discharge, which application can be made at any time after his public examination has been concluded. Until he obtains his discharge he is known as an undischarged bankrupt, and, as such, he is subjected to certain disabilities which are prescribed by the bankruptcy laws. (See *Bankruptcy.*)

UNFUNDED DEBT. (Fr. *Dette flottante*, Ger. *schwebende Schuld*, Sp. *Deuda flotante*, It. *Debito oscillante o non consolidato.*)

This is another name for the "floating debt." It consists of loans of money borrowed for short periods, which the Government is bound to pay off at

certain fixed dates, and is represented by exchequer bills, exchequer bonds, and treasury bills and bonds.

UNIFIED STOCK. (Fr. *Dette unifiée*, Ger. *konsolidierte Schuld*, Sp. *Deuda unificada*, It. *Debito unificato.*)

This is the name given to the several loans, bearing different rates of interest, which have been amalgamated into one common debt, bearing a fixed rate of interest, in a similar manner to what has been done by consolidating annuities in England.

UNLIMITED COMPANY. (Fr. *Compagnie (société) à responsabilité illimitée*, Ger. *Gesellschaft mit unbegrenzter Haftplicht, Gesellschaft mit unbeschrankter Haftung*, Sp. *Compañia (sociedad) de responsabilidad ilimitada*, It. *Compania a responsabilità illimitata.*)

A company is said to be unlimited when each of its members is liable for the whole of the debts of the same.

UNMERCHANTABLE. (Fr. *Invendable*, Ger. *unverkäuflich*, Sp. *No vendible*, It. *Invendibile, non commerciabile.*)

Goods are so described when they are in any way below the usual standard, or not in their natural sound state.

UNSEAWORTHY. (Fr. *Innavigable, qui ne peut tenir la mer*, Ger. *seeuntüchtig*, Sp. *En mal estado*, It. *Inetto alla navigazione.*)

A ship is so described when, owing to age, want of repair, insufficient hands, or incompetency of master and crew, it is not safe to send her on a voyage or to load her with cargo.

UPSET PRICE. (Fr. *Mise à prix*, Ger. *Ausrufspreis*, Sp. *Primera oferta*, It. *Prima offerta.*)

In auction sales this is the lowest fixed price at which a vendor is willing that his property shall be started and sold if no higher bids can be obtained.

UPTOWN WAREHOUSE. (Fr. *Entrepôt en ville*, Ger. *Stadtlager*, Sp. *Depósito en la ciudad*, It. *Deposito o fondaco in città.*)

This is a warehouse not situated by the waterside licensed by the Customs to store bonded or dutiable goods.

USANCE. (Fr. *Usance*, Ger. *Wechselfrist*, Sp. *Usanza*, It. *Usanza, uso.*)

This is the time allowed by usage for the currency of bills of exchange between any two countries. Thus, the usance for bills at New York upon Europe is sixty days' sight; that at Calcutta upon London is six months after sight. Sometimes foreign bills are drawn payable at one, two, or more usances. (See *Bill of Exchange.*)

USUFRUCT. (Fr. *Usufruit*, Ger. *Niessbrauch*, Sp. *Usufructo*, It. *Usufrutto.*)

Usufruct is the right of using for a given time something belonging to another person, but without diminishing or altering its substance.

USURER. (Fr. *Usurier*, Ger. *Wucherer*, Sp. *Usurero*, It. *Usuraio.*)

A usurer is a person who lends out money at high rates of interest.

USURY. (Fr. *Usure*, Ger. *Wucher*, Sp. *Usura*, It. *Usura*.)

Usury means an exorbitant rate of interest charged by money-lenders to borrowers. Severe laws were at one time in force against persons who lent money at excessive rates of interest, and it was not until 1833 that it became lawful to take more than 5 per cent. upon bills of exchange. All laws against usury were abolished in 1854.

Owing to the high rates of interest charged to ignorant borrowers, and the over-reaching methods adopted by lenders, an important Act was passed in 1900, known as the Money-lenders Act. The following are its provisions:—

1. (1) Where proceedings are taken in any court by a money-lender for the recovery of any money lent after the commencement of the Act (November 1, 1900), or the enforcement of any agreement or security made or taken after the commencement of the Act, in respect of money lent either before or after the commencement of the Act, and there is evidence which satisfies the court that the interest charged in respect of the sum actually lent is excessive, or that the amounts charged for expenses, inquiries, fines, bonus, premium, renewals, or any other charges are excessive, and that, in either case, the transaction is harsh and unconscionable, or is otherwise such that a court of equity would give relief, the court may re-open the transaction, and take an account between the money-lender and the person sued, and may, notwithstanding any statement or settlement of account or any agreement purporting to close previous dealings and create a new obligation, re-open any account already taken between them, and relieve the person sued from payment of any sum in excess of the sum adjudged by the court to be fairly due in respect of such principal, interest, and charges, as the court, having regard to the risk and all the circumstances, may adjudge to be

reasonable; and if any such excess has been paid, or allowed in account, by the debtor, may order the creditor to repay it; and may set aside, either wholly or in part, or revise, or alter, any security given or agreement made in respect of money lent by the money-lender, and if the money-lender has parted with the security may order him to indemnify the borrower or other person sued.

(2) Any court in which proceedings might be taken for the recovery of money lent by a money-lender shall have and may, at the instance of the borrower or surety or other person liable, exercise the like powers as may be exercised under this section, where proceedings are taken for the recovery of money lent, and the court shall have power, notwithstanding any provision or agreement to the contrary, to entertain any application under the Act by the borrower, or surety, or other person liable, notwithstanding that the time for repayment of the loan, or any instalment thereof, may not have arrived.

(3) On any application relating to the admission or amount of a proof by a money-lender in any bankruptcy proceedings, the court may exercise the like powers as may be exercised under this section when proceedings are taken for the recovery of money.

(4) The foregoing provisions shall apply to any transaction which, whatever its form may be, is substantially one of money-lending by a money-lender.

(5) Nothing in the foregoing provisions shall affect the rights of any *bonâ fide* assignee or holder for value without notice.

(6) Nothing in this section shall be construed as derogating from the existing powers or jurisdiction of any court.

(7) In the application of the Act to Scotland this section shall be read as if the words "or is otherwise such that a court of equity would give relief" were omitted therefrom.

2. (1) A money-lender as defined by the Act—

(*a*) Shall register himself as a money-lender in accordance with regulations under this Act, at an office provided for the purpose by the Commissioners of Inland Revenue, under his own or usual trade name, and in no other name, and with the address, or all the addresses, if more than one, at which he carries on his business of money-lender; and

(*b*) Shall carry on the money-lending business in his registered name, and in no other name and under no other description, and at his registered address or addresses, and at no other address; and

(*c*) Shall not enter into any agreement in the course of his business as a money-lender with respect to the advance and repayment of money, or take any security for money in the course of his business as a money-lender, otherwise than in his registered name; and

(*d*) Shall on reasonable request, and on tender of a reasonable sum for expenses, furnish the borrower with a copy of any document relating to the loan or any security therefor.

(2) If a money-lender fails to register himself as required by this Act, or carries on business otherwise than in his registered name, or in more than one name, or elsewhere than at his registered address, or fails to comply with any other requirement of this section, he shall be liable on conviction under the Summary Jurisdiction Acts to a fine not exceeding £100, and in the case of a second or subsequent conviction, to imprisonment, with or without hard labour, for a term not exceeding three months, or to a fine not exceeding £100, or to both; provided that if the offender be a body corporate, that body corporate shall be liable on a second or subsequent conviction to a fine not exceeding £500.

(3) A prosecution under sub-section (1) (*a*) of this section shall not be instituted except with the consent in England of the Attorney-General or Solicitor-General, and in Ireland of the Attorney-General or Solicitor-General for Ireland.

3. (1) The Commissioners of Inland Revenue, subject to the approval of the Treasury, may make regulations respecting the registration of money-lenders, whether individuals, firms, societies, or companies, the form of the register, and the particulars to be entered therein, and the fees to be paid on registration and renewal of registration, not exceeding £1 for each registration or renewal, and respecting the inspection of the register and the fees payable therefor.

(2) The registration shall cease to have effect at the expiration of three years from the date of the registration, but may be renewed from time to time, and if renewed shall have effect for three years from the date of renewal.

4. If any money-lender, or any manager, agent, or clerk of a money-lender, or if any person being a director,

manager, or other officer of any corporation carrying on the business of a money-lender, by any false, misleading, or deceptive statement, representation or promise, or by any dishonest concealment of material facts, fraudulently induces or attempts to induce any person to borrow money or to agree to the terms on which money is or is to be borrowed, he shall be guilty of a misdemeanour, and shall be liable on indictment to imprisonment, with or without hard labour, for a term not exceeding two years, or to a fine not exceeding £500, or to both.

5. Where in any proceedings under section 2 of the Betting and Loans (Infants) Act, 1892, it is proved that the person to whom the document containing invitations to make bets or to borrow money was sent was an infant, the person charged shall be deemed to have known that the person to whom the document was sent was an infant, unless he proves that he had reasonable ground for believing the infant to be of full age.

6. The expression "money-lender" in this Act shall include every person whose business is that of money-lending, or who advertises or announces himself or holds himself out in any way as carrying on that business; but shall not include—

(a) Any pawnbroker in respect of business carried on by him in accordance with the provisions of the Acts for the time being in force in relation to pawnbrokers; or

(b) Any registered society within the meaning of the Friendly Societies Act, 1896, or any society registered or having rules certified under sections 2 to 4 of that Act, or under the Benefit Building Societies Act, 1836, or the Loan Societies Act, 1840, or under the Building Societies Acts, 1874 to 1894; or

(c) Any body corporate, incorporated or empowered by a special Act of Parliament to lend money in accordance with such special Act; or

(d) Any person *bonâ fide* carrying on the business of banking or insurance, or *bonâ fide* carrying on any business not having for its primary object the lending of money, in the course of which and for the purposes whereof he lends money; or

(e) Any body corporate for the time being exempted from registration under this Act by order of the Board of Trade made and published pursuant to regulations of the Board of Trade.

Though the Act has made several general improvements in the law, especially by requiring that money-lenders shall be registered, it was thought, by the decision in a case which came before the courts in 1901, that it had not gone to the length many people imagined. It was there held that the mere fact that a bargain is harsh and unconscionable is not sufficient ground to justify the court in re-opening the account between the parties or setting it aside. Thus, in the case referred to, the interest charged was 60 per cent. Still the facts did not go to show that the transaction was such that a court of equity would have interfered. As Ridley, J., said: "It appears to be established by a series of decisions that a court of equity will not grant relief in such cases merely because the charges or interest are excessive. Every case has, indeed, to be judged by its own circumstances; but unless the borrowers be of the class known as expectant heirs (which requires distinct consideration), the rule is that, assuming him to be of full capacity, relief will not be granted unless it can be shown that he has been over-reached, tricked, or deceived, and that the money-lender has taken an unfair and undue advantage of his weakness and necessities. The general rule is that neither excess of interest nor exorbitance of charge will suffice unless the element of unfair dealing is found to have existed." This decision was followed in a later case by Mr. Justice Channell. But the Court of Appeal reversed both these decisions, and held that the court has power to re-open the whole transaction when the rate of interest is excessive or the other charges exorbitant. And this finding of the Court of Appeal has been since affirmed by the House of Lords.

There has been much litigation in connection with the Act, but its scope is pretty clear. There were, however, one or two amendments necessary, and consequently the Money-lenders Act, 1911, was passed, which must now be read in connection with the Act of 1900. The following are its provisions:—

1.—(1) Notwithstanding anything in section two of the Money-lenders Act, 1900—

(a) any agreement with, or security taken by, a money-lender shall be, and shall be deemed always to have been, valid in favour of any *bonâ fide*

assignee or holder for value without notice of any defect due to the operation of that section, and of any person deriving title under him; and

(*b*) any payment or transfer of money or property made *bonâ fide* by any person, whether acting in a fiduciary capacity or otherwise, on the faith of the validity of any such agreement or security, without notice of any such defect, shall, in favour of that person, be, and be deemed always to have been, as valid as it would have been if the agreement or security had been valid; but in either such case the money-lender shall be liable to indemnify the borrower or any other person who is prejudiced by virtue of this enactment, and nothing in this enactment shall render valid an agreement or security in favour of an assignee or holder for value who is himself a money-lender.

(2) A person shall not be deemed to have had notice of a defect in an agreement or security by reason only that a search in the register established under the Money-lenders Act, 1900, would have disclosed the defect or shown that the agreement or security was effected with a money-lender; and, for the purposes of this Act and the Money-lenders Act, 1900, the provisions of section three of the Conveyancing Act, 1882, shall apply and be deemed always to have applied as if the expression "purchaser" included a person making any such payment or transfer as aforesaid.

(3) Nothing in this section shall render valid for any purpose any agreement, security, or other transaction which would, apart from section two of the Money-lenders Act, 1900, have been void or unenforceable, nor any agreement or security which has, before the commencement of this Act, been declared void by a court of competent jurisdiction.

2.—(1) No person shall be registered as a money-lender under any name including the word "bank," or under any name implying that he carries on banking business; and, where any money-lender is registered under any such name, the name shall be removed from the register and a notification to that effect sent to the money-lender.

(2) If a money-lender, in the course of carrying on the money-lending business, issues or publishes, or causes to be issued or published, any circular, notice, advertisement, letter, account, or statement of any kind containing expressions which might reasonably be held to imply that he carries on banking business, he shall be liable on summary conviction to the like penalties as if he had failed to comply with section two of the Money-lenders Act, 1900.

V. This letter is used in the following abbreviations:—

V., Versus—Against.
Via, By the Way of.
Viz., Videlicet—Namely.

VACUITY. (Fr. *Vacuité*, Ger. *Leere*, Sp. *Vacuidad*, It. *Vacuità*.)

This means the difference between the capacity of a cask and its cubical contents.

VALUE IN ACCOUNT. (Fr. *Valeur en compte*, Ger. *Wert in Rechnung*, Sp. *Valor en cuenta*, It. *Valuta in conto*.)

This is a term used in drawing bills of exchange when they are for services rendered, or when, from cross transactions, there is a balance remaining in favour of the drawer.

VALUE RECEIVED. (Fr. *Valeur reçue*, Ger. *Wert erhalten*, Sp. *Valor recibido*, It. *Valuta ricevuta*.)

This term is invariably used upon bills of exchange to indicate that the drawee has received either money or money's worth from the drawer. As there is always a presumption of consideration in the case of bills of exchange, the words are really of no more value than the expression "yours truly" in a letter.

VALUE UPON. (Fr. *Tirer sur*, Ger. *ziehen auf*, Sp. *Girar sobre*, It. *Trarre o tirare su, fare tratta*.)

The meaning of this phrase is to draw a bill upon a person.

VALUED POLICY. (Fr. *Police évaluéa*, Ger. *Wertpolice*, Sp. *Póliza valuada*, It. *Polizza valutata*.)

In marine insurance a valued policy is one in which the amount insured is valued or fixed.

VALUER. (Fr. *Appréciateur, éstimateur, évaluateur*, Ger. *Taxator, Schätzer*, Sp. *Avaluador*, It. *Stimatore, perito*.)

This is a person who puts a price or value upon anything.

VATTING. (Fr. *Mixture*, Ger. *Mischung*, Sp. *Mezcla*, It. *Miscuglio, mescolanza*.)

This is a Custom House term for the mixing together of the same sorts, brands, colour, or rate of duty of wines (or spirits) for the purpose of fortifying, colouring, or strengthening the whole, or obtaining uniformity of character.

VAULT. (Fr. *Cave, voûte*, Ger. *Keller*, Sp. *Bodega*, It. *Cantina, volta*.)

A vault is an underground cellar with an arched roof.

VENDEE. (Fr. *Acheteur*, Ger. *Käufer*, Sp. *Comprador*, It. *Compratore, acquirente.*)

This is the party for whom a purchase is made, or the person who is himself the purchaser.

VENDOR. (Fr. *Vendeur*, Ger. *Verkäufer*, Sp. *Vendedor*, It. *Venditore.*)

This is the person on whose behalf a sale is made, or the person who is himself the seller.

VENDORS' SHARES. (Fr. *Actions réservées au vendeurs*, Ger. *Aktien der Verkäufer*, Sp. *Acciones del vendedores*, It. *Azioni dei venditori.*)

These are shares which are taken instead of cash by parties who convert their businesses into public companies. These shares take a dividend as may be agreed upon. Sometimes they rank *pari passu* with the ordinary shares, at others they defer taking a dividend until the ordinary shares have been paid a certain amount and then claim one-half or the whole of what is left, according to the amount of purchase money which the vendor has accepted in such shares

VENDUE. (Fr. *Vente aux enchères*, Ger. *Auktion*, Sp. *Subasta, venduta*, It. *Vendita all' asta o all' incanto.*)

The term "vendue" is of colonial origin, and signifies a public auction.

VENTURE. (Fr. *Consignation*, Ger. *Konsignation, Spekulation*, Sp. *Consignación*, It. *Alla ventura.*)

This is a consignment of goods made at the risk of the sender, to be sold at the place of destination.

VERDICT. (Fr. *Verdict*, Ger. *Urteil, Verdikt*, Sp. *Sentencia*, It. *Sentenza, verdetto.*)

A verdict is the decision of a jury on a trial after the evidence of both sides has been heard.

VERST. (Fr. *Verste*, Ger. *Verst*, Sp. *Verste*, It. *Versta.*)

This is a Russian measure of length, equal to 1,166⅔ yards, or almost exactly two-thirds of an English mile.

VIA. (Fr. *Par, par voie de*, Ger. *über, via*, Sp. *Por, por la vía de*, It. *Per, per la via di.*)

This term is used to signify —

(1) A name used exclusively in England to express one copy of a set of bills, as the first, second, or third via.

(2) By way of, signifying the route taken.

VICTUALLER. (Fr. *Approvisionneur*, Ger. *Lieferant*, Sp. *Contratista de provisiones*, It. *Fornitore.*)

A victualler is a person who supplies provisions.

VICTUALLING BILL. (Fr. *Liste de provisions soumises aux droits*, Ger. *Proviantschein*, Sp. *Lista de provisiones sujetas á los derechos*, It. *Listino o distinta delle vettovaglie soggette a dazio.*)

A victualling bill is a document given to the customs by the captain of a ship, containing a list of bonded or drawback goods taken on board for use as stores during a voyage.

VICTUALLING YARD. (Fr. *Magasin des subsistances*, Ger. *Proviantamt*, Sp. *Almacén de provisiones*, It. *Magazzino di sussistenza, deposito viveri.*

This is a public establishment to collect and supply provisions for the navy.

VIDELICET. A contraction of the Latin words *videre licet*, "you may see." In its English use it means "namely," or "to wit," and is contracted into the form "viz."

VINTNER. (Fr. *Marchand de vin*, Ger. *Weinhandler*, Sp. *Vinatero*, It. *Vinaio, oste, mercante di vino.*)

This is another name for wine dealer.

VISE. (Fr. *Visa*, Ger. *Visa*, Sp. *Viso*, It. *Vistato, visto.*)

This is an official indorsement on a passport by the consul of the country in which a person wishes to travel, or an indorsement by him on any other document.

VOLENTI NON FIT INJURIA. This is a legal maxim which signifies that no legal wrong is done to a person if that person has voluntarily and knowingly accepted all the risks of the situation. Its application is practically confined to cases of negligence, and more especially to those which arise in disputes between masters and workmen, where one of the latter has sustained an injury. In order to be available as a defence in an action brought by a workman against his employer, either at common law or under the Employers Liability Act, 1880, it must be shown that the workman has fully understood the danger of his employment, and that he has accepted the same after being well acquainted with it. Mere knowledge is not sufficient; there must have been a voluntary acceptance after such knowledge.

VOUCHER. (Fr. *Pièce justificative*, Ger. *Beleg*, Sp. *Documento justificativo*, It. *Documento giustificativo.*)

This name is given to any document or writing in proof of the payment or receipt of money, or of other monetary transactions.

VOYAGE POLICY. (Fr. *Police de voyage*, Ger. *Reisepolice*, Sp. *Póliza de viaje*, It. *Polizza di viaggio.*)

A voyage policy, in marine insurance, is one which insures a ship or cargo for a certain specified voyage.

W. This letter is used in the following abbreviations:—

W.B., Way Bill.
W.b., Water Ballast (Shipping).
Wt., Weight.
W/W., Warehouse Warrant.

WAGER POLICY. (Fr. *Police gageuse*, Ger. *Wettpolice*, Sp. *Póliza apostadora*, It. *Polizza scommettitrice.*)

This is the name given to a policy of marine insurance, in which the insurer has no real interest in the subject matter of the insurance. Though formerly common, they were made absolutely illegal, under certain penalties, by the Marine Insurance (Gambling Policies) Act, 1909. (See *Marine Insurance.*)

WAGES. (Fr. *Paye, salaire*, Ger. *Lohn, Arbeitslohn*, Sp. *Salario, paga*, It. *Paga, salario.*)

This word, plural in form but singular in meaning, signifies the compensation or reward paid to workmen or labourers for work which is more or less mechanical. Payment is usually made week by week, and it is this method of payment which distinguishes wages from salary.

The wages of a servant, labourer, or workman cannot be attached to satisfy a judgment, nor are they attachable under the Bankruptcy Act, 1914. Like a clerk or other servant who has a preferential claim for a certain portion of his salary in cases of bankruptcy or winding-up, a workman or labourer is also preferred as to two months' wages provided the amount does not exceed £25. When a company is being wound up, the claims of a workman or labourer must be paid, under Section 209 of the Companies (Consolidation) Act, 1908, even before those of any debenture-holders are satisfied.

An infant can sue in a county court to recover wages due to him, if the amount does not exceed £50, without the intervention of a next friend.

Wages must be paid in money; payment in goods or in any other way is an offence against the Truck Acts.

WAGES FUND. (Fr. *Caisse de gages*, Ger. *Löhnungfonds*, Sp. *Caja de ahorros*, It. *Cassa di risparmio.*)

The wages fund is a fund which is theoretically assumed to exist, and out of which wages are paid. Practically, such a fund is known to exist from the fact that wages are actually paid out of it. It is made up of two principal items, (*a*) a portion of the produce of past labour, (*b*) credit based on the anticipation of the profits of future labour. The absolute amount of the wages fund is never accurately known, and it is doubtful whether it is ever the same for two consecutive days. Many causes tend to make it fluctuate, especially those which go to create a demand for labour or to limit its supply, such as the general state of trade, the weather, financial crises, accumulation of capital, etc. The term is a convenient one to be used in the discussion of economic questions, but the thing itself is too shadowy and unstable to admit of employment in accurate calculations, or to afford safe ground for inferences.

WAIVER CLAUSE. (Fr. *Clause de désistement, clause de renonciation, clause d'abandon*, Ger. *Versichtleistungsklausel, Annahmeverweigerungsklausel*, Sp. *Cláusula de abandono, cláusula de renuncia*, It. *Clausola di rinuncia, clausola di desistenza, clausola di abbandono.*)

In marine insurance policies, a clause of this kind is one which is inserted providing that, in the case of accident, either the insurer or the insured may do what he thinks necessary in order to lessen the loss without prejudicing his rights under the policy.

WALL STREET. (Fr. *Wall Street, Place de la Bourse*, Ger. *Wall Street*, Sp. *Wall Street, Calle de la Muralla*, It. *Wall Street o Via del Muro.*)

The New York Stock Exchange is frequently spoken of as Wall Street, on account of its situation.

WAREHOUSE BOOKS. (Fr. *Livres des marchandises*, Ger. *Lagerbücher*, Sp. *Libros de mercancías*, It. *Libri delle merci in magazzino.*)

These are the special books kept recording the arrival of goods at, or the despatch of goods from, a warehouse, so that a list of those goods on hand or unsold is easily ascertained.

WAREHOUSE KEEPER. (Fr. *Entreposeur*, Ger. *Lagerhalter*, Sp. *Almacenista*, It. *Magazziniere.*)

This is the person who receives goods of any kind for the mere purpose of storage. He is the bailee of the goods, and since he is a bailee for hire he must use proper care and diligence in preserving the goods intrusted to him from injury. A warehouse keeper has a lien on goods in his care for their storage, but not for the storage of other goods

belonging to the same persons, nor for any general balance of account.

WAREHOUSE KEEPER'S ORDERS. (Fr. *Ordres à l'entreposeur*, Ger. *Lagerscheine*, Sp. *Ordenes al almacenista*, It. *Ordini pel magazziniere o custode.*)

These are orders addressed by the customs to the warehouse keeper, at a warehouse where dutiable goods are lying, authorising him to deliver the goods upon which duty has been paid for home consumption; or authorising him to deliver dutiable goods for exportation, a bond note having been signed for them.

WAREHOUSING SYSTEM. (Fr. *Système d'emmagasinage*, Ger. *Lagersystem*, Sp. *Sistema de almacenaje*, It. *Deporre merci nei magazzini generali in franchigia doganale.*)

This is a provision made for lodging imported articles, liable to customs duty, in public warehouses, so that they may not be chargeable with duty until taken out for home consumption, such goods being exempt from duty if re-exported.

Whilst the goods are thus warehoused they are said to be "in bond," and the proprietor of the warehouse is required to enter into a bond to carry out his obligations properly. Hence the name of bonded warehouses.

No building can be used as a bonded warehouse until it has been approved by the proper Government officials, and the privilege of keeping such a warehouse is not granted as a matter of course. The applicant must satisfy the authorities that the warehouse is necessary for the requirements of the locality in which it is situated, and must give a bond for at least £1,000 with one or more substantial sureties. When permission has been granted certain officers are in supreme control, and the goods contained in the warehouse cannot be dealt with in any way except in the presence of one of these officers.

The convenience of bonded warehouses is very great. It is obvious that if duties were payable on goods directly they were landed, an immense amount of money would be lying idle, and the cost of the goods would be necessarily increased to pay for the interest on this money. For instance, suppose a spirit merchant imported a hundred gallons of rum of the value of £5, and that he wished to leave the spirit in a vault at the docks to mature. If he had to pay duty at the time of importation the capital lying idle would not be £5 only, but also an additional sum of about £52 10*s*., or nearly £60 in all. As many thousands of gallons of wines and spirits are always occupying the bonded vaults, and many thousands of tons of tea, coffee, and tobacco are stored in the bonded warehouses, if duty had to be paid upon them on importation the amount of capital lying idle would be represented by millions of pounds sterling.

The practice with regard to dutiable goods on importation is to pass at the Custom House a document known as the "Entry for Warehousing," showing where it is the intention of the proprietor of the goods to house them, which must be in an approved bonded warehouse or vault. The goods are then removed from the importing ship under special regulations to the place indicated. They are there dealt with by the wharfinger, or dock company owning the place, acting for the owner of the goods, in such a way as may be necessary to prepare them for sale, that is, they are weighed, tared, sorted, sampled, gauged, etc., just as freely as if they were in the possession of the proprietor, so long as the rules of the officers of customs are complied with. When all the necessary operations are complete they are stored until they are released by payment of duty. In addition to the duty imposed there are other restrictions on the importation of dutiable goods, with which every importer must make himself acquainted. As an example of these restrictions, it may be mentioned that tobacco can only be imported at certain ports, in ships of not less than 120 tons burden, and in packets of not less than 80 lbs. gross weight, which may, however, be divided in bond for exportation or home consumption.

When the goods are required for sale, the proprietor of them, if the duty is to be paid upon the warehoused quantity, presents at the Cash Branch of the Custom House an "Entry for Home Consumption" for any one or more packages, together with the money for the duty. He also writes the necessary particulars on a "Duty Receipt." The warrant is then certified and forwarded to the officer in charge of the warehouse accounts, who compares the particulars with the official books, and, if correct, signs the Warehouse-Keeper's Order, which is sent to the vault or warehouse where the goods are stored; and, as far as the Custom House is concerned, the owner may remove his goods.

In the cases of tea, coffee, and dried fruits, the duty must be paid on the weight ascertained at, or immediately after, landing. Tobacco. however, which loses weight while in the warehouse by the natural process of drying, is re-weighed, and, if the loss does not exceed certain limits, duty is paid on the weight then ascertained. On account of the high duty and the great weight of the packages in which tobacco is sometimes imported, part of a package may be taken out of bond. Wines and spirits in casks also lose in bulk and strength by evaporation. Wines are therefore re-gauged; spirits are also re-gauged and re-tested on the application of the merchant previous to the duty being paid, the warrant being presented to the warehouse officer for the purpose of having the particulars of the re-examination inserted. The procedure explained in the last paragraph is then followed.

In the case of spirits, the quantity and strength having been ascertained, the liquor is reduced mathematically to a certain standard strength called "proof," and duty is charged on the resultant strength. Thus, 60 gallons of brandy at 15 per cent. over proof, 15 o.p. $\frac{60 \times 115}{100} = 69$ proof gallons. The same quantity at 15 per cent. under proof, 15 u.p. $\frac{60 \times 85}{100} = 51$ gallons. Wines, however, are charged on the liquid gallons, and the rate of duty is the same within certain degrees of strength.

If the goods stored in a bonded warehouse are required for export, the first duty of the exporter is to give a bond to the Custom House authorities that the dutiable goods shall be duly shipped, or, failing that, shall be returned into the control of the customs. There is no duty to be paid. Nominally, the bond is prepared by the customs; but, to save time, the exporter will find it better to write his own bond and hand it in for examination. The necessary form can be obtained from the authorised agent for the sale of Customs Forms. It bears an impressed stamp, which varies from 3*d.* to 5*s.*, according to the amount of the penalty to be secured by the bond. This penalty is twice the amount of duty upon the goods concerned, and it is the practice to allow a sufficient margin both in giving the quantity of the goods and in calculating the penalty, care being taken to keep the latter within the amount of stamp duty paid. There are two parties to a customs bond, one being called the "exporter," and the other the "surety." No inquiry is made about the former, who must, however, be at least twenty-one years of age; and, as a rule, it is the clerk of the real exporter who becomes the exporter, so called, on the Custom House documents. The second party to the bond, however, must be some one of known position and standing, and as either a licensed and bonded lighterman or carman must be employed in the removal of the goods, the services of the lighterman or carman are generally brought into requisition as the surety. This does not, of course, mean the man who navigates the barge or drives the van, but his employer.

The bond having been prepared, both parties to it attend at the Custom House and execute it. It is usual for firms who do a large export trade to give a general bond of sufficient amount to cover all the operations they are likely to be carrying on at any time, in which case a separate bond for each transaction is not necessary. All general bonds are prepared by the solicitor to the customs, London, and on each export under it a "Notice of Exportation" takes the place of the ordinary bond. This document requires an adhesive stamp, according to the scale for the bond, except in certain cases when it is exempt from stamp duty.

The name "Bond Warrant" is given to all kinds of entries for goods under bond. It is the basis on which the bond is prepared, but if the exporter has followed the usual practice of writing his own bond it will be soon enough to hand it in when the bond is given.

WARRANT. (Fr. *Warrant*, Ger. *Warrant*, *Lagerschein*, Sp. *Warrant*, *Certificado de depósito*, It. *Warrant*, *fede di deposito*.)

A warrant is a receipt for goods deposited in a public warehouse. It is a negotiable instrument, and must bear a threepenny stamp.

WARRANT OF ATTORNEY. (Fr. *Pouvoir*, Ger. *Vollmacht*, Sp. *Poder*, It. *Mandato di procura*.)

This is a power given by a client to his attorney to appear and plead for him, or to suffer judgment to go against him by confessing the cause of the action to be just.

WARRANTY. (Fr. *Garantie*, Ger. *Garantie*, *Bürgschaft*, Sp. *Garantia*, It. *Condizioni d'assicurazione*.)

A warranty is a guarantee or a

stipulation. In contracts for the sale of goods a warranty is defined, by the Act of 1893, as "an agreement with reference to goods which are the subject of a contract of sale, but collateral to the main purpose of such contract, the breach of which gives rise to a claim for damages, but not to a right to reject the goods and treat the contract as repudiated."

The general rule as to contracts of sale of goods is that a person buys at his own risk, the maxim *caveat emptor* applying. But in the following cases a warranty (or a condition) is implied —

(1) Where the buyer, expressly or by implication, makes known to the seller the particular purpose for which the goods are required, so as to show that the buyer relies on the seller's skill or judgment, and the goods are of a description which it is in the course of the seller's business to supply (whether he is the manufacturer or not), there is an implied condition that the goods shall be reasonably fit for such purpose, provided that in the case of a contract for the sale of a specified article under its patent or other trade name, there is no implied condition as to its fitness for any particular purpose.

(2) Where goods are bought by description from a seller who deals in goods of that description (whether he be the manufacturer or not), there is an implied condition that the goods shall be of merchantable quality; provided that if the buyer has examined the goods there shall be no implied condition as regards defects which such examination ought to have revealed.

(3) Where goods are bought by sample there is an implied condition that the bulk shall correspond with the sample, and shall be free from any defect rendering them unmerchantable, which would not be apparent on reasonable examination of the sample.

(4) An implied warranty or condition as to quality or fitness for a particular purpose may be annexed by the usage of trade. (See *Sale.*)

An express warranty or condition does not negative a warranty or condition implied by the Sale of Goods Act, unless it is inconsistent with it. Any express warranty must be given at the time of the contract of sale, otherwise it must be supported by a fresh consideration.

Distinct from all questions of quality, there is an implied warranty, in every contract for the sale of goods (unless the contrary intention is shown), that the vendor has a right to sell the same, and that the goods are free from undisclosed incumbrances. A "contrary intention" would be shown if the vendor were a pawnbroker or a sheriff. Each can only transfer the right which he has in the goods at the time of sale, and, in default of express warranty, is not liable for loss arising through a defective title.

As to warranties implied in a policy of marine insurance, see *Marine Insurance.*

WASTE BOOK. (Fr. *Main courante, brouillard,* Ger. *Kladde, Strazze,* Sp. *Borrador,* It. *Prima nota, scartafaccio, strazza.*)

This is a book sometimes, though erroneously, called the Day Book, in which entries of business transactions are made as they occur, and for a temporary purpose. Every transaction, whether of purchase, sale, or otherwise, is thus shown in chronological order irrespective of its nature. From the Waste Book the items are entered in proper form into the journal, with a view of being afterwards transferred permanently to the Ledger.

WATERING OF STOCK. (Fr. *Dilution de capital,* Ger. *Stammkapitalvergrösserung,* Sp. *Dilución de capital,* It. *Diluzione di capitali.*)

This is a slang expression, meaning that an additional amount of stock has been issued by a company without an additional provision being made to pay the interest on the same, or that the nominal value of securities has been increased without any corresponding payment in cash. This phrase originated in America.

WATER-LOGGED. (Fr. *Plein d'eau, entre deux eaux,* Ger. *halb unter Wasser,* Sp. *Lleno de agua,* It. *Incagliato fra due acqua.*)

This is a term applied to a ship which has become unmanageable owing to leakage, when the cargo is of such a nature, light timber for example, that it and the vessel both float.

WAY BILL. (Fr. *Feuille de route,* Ger. *Geleitschein,* Sp. *Hoja de marcha,* It. *Foglio di via.*)

This is a document which contains a list of passengers or goods carried by a public company.

WEIGHT NOTE. (Fr. *Note de poids,* Ger. *Gewichtsnota,* Sp. *Nota de peso,* It. *Nota del peso.*)

This is a document issued by the dock companies, giving the gross weight, tare and net weight, the marks,

numbers, and dates of entry of imported goods.

WET DOCK. (Fr. *Bassin à flot*, Ger. *Aussendock*, Sp. *Dársena*, It. *Darsena*.)

This is a dock into which vessels are admitted at high water, when the dock gates are closed again so that the level of the water does not sink. In those docks ships can lie afloat and take in or discharge cargo at any time, without regard to the rising or the falling of the tide.

WET GOODS. (Fr. *Marchandises liquides*, Ger. *Flüssigkeiten*, Sp. *Mercancías liquidas*, It. *Merci liquide*.)

This is the commercial term applied to all liquids contained in casks or bottles.

WHARF. (Fr. *Quai, entrepôt*, Ger. *Werft, Kai*, Sp. *Muelle*, It. *Banchina, molo*.)

A wharf is a bank of timber or stone on the shore of a harbour or river where vessels can be loaded and unloaded.

A wharf is a "factory" within the meaning of the Factory and Workshop Act, 1895, and therefore a "factory" within the meaning of the Workmen's Compensation Act, 1906; but it does not necessarily follow that a canal wharf, upon which no machinery is used, is such a factory.

WHARFAGE. (Fr. *Quayage*, Ger. *Quaigebühr*, Sp. *Muellaje*, It. *Diritti di approdo, diritti di molo*.)

This is the name given to the fee charged for using a wharf when discharging a vessel of her cargo.

WHARFINGER. (Fr. *Propriétaire de quai*, Ger. *Kaimeister*, Sp. *Propietario (arrendatario) del muelle*, It. *Proprietario di ponte d'approdo, guardiano di sbarcatoio*.)

The person who has charge or is owner of a wharf is called a wharfinger. He has a general lien upon goods in his possession for any moneys due to him from the owner of the goods.

WHARFINGER'S RECEIPT. (Fr. *Quittance de propriétaire*, Ger. *Quittung des Kaimeisters*, Sp. *Descargo de muelle*, It. *Quietanza del proprietario o custode*.)

This is the document given by a wharfinger in acknowledgment of goods received for shipment.

WHOLESALE. (Fr. *Gros, vente en gros*, Ger. *en gros, im Grossen, Grosshandel*, Sp. *Por mayor, Venta al por mayor*, It. *Vendita all' ingrosso*.)

The term wholesale is applied to the buying and selling of goods in large quantities only. Dealings in small quantities are said to be by retail.

WILL. (Fr. *Testament*, Ger. *Testament*, Sp. *Testamento*, It. *Testamento*.)

A will, by the law of England, is an instrument by which a person makes a disposition of his property to take effect after his death, and which is in its nature revocable by him during his lifetime, but which speaks and takes effect as if it had been executed not at its date of execution, but immediately before the death of the testator. It operates to dispose of all the real and personal estate to which the testator is entitled at the time of his death, unless, by its wording, it fails to include the whole of his property. If there is any such omission, then it is necessary for letters of administration to be taken out as to that part of the estate which is not disposed. A grant of this kind is called a grant *de bonis non*.

It must be borne in mind that a will of real estate, that is, of fixed and immovable property, is governed by the law of the place where the property is situated. The place where such a will is made and the language used are unimportant, but the execution must be in the form required by the law in force in the country where the property is. A will to pass real property in England must be executed in accordance with the provisions of the Wills Act, 1837, that is, it must be in writing, and signed at the foot or end thereof by the testator, or by some other person in his presence and by his direction; and such signature must be made or acknowledged by the testator in the presence of two or more witnesses present at the same time, and each witness must attest and subscribe the will in the presence of the testator, but no form of attestation is necessary. As will be pointed out hereafter, no person who is to benefit under a will, nor whose husband or wife is to benefit, should be a witness. It follows, therefore, that if a person is possessed of real estate in other countries than England, for example, in France or Germany, he must make a separate will in accordance with the forms required for each country in order to deal with the property situated elsewhere than in England.

As to a will of personal estate, that is, of movable property, the law of the country in which the testator is domiciled, or has his permanent home, at the time of his death, prevails as a general rule, and it is therefore generally sufficient if a will is executed according to the formalities required by the country

of the domicil. By a statute passed in 1861, and known as Lord Kingsdown's Act, it is provided that a will made out of the United Kingdom by a British subject, whatever may be his domicil at the time of making the same or at the time of his death, shall, as regards personal estate, be held to be well executed if it is made according to the form required either by the law of the place where the same was made, or by the law of the place where such person was domiciled when the same was made, or by the laws then in force in that part of the British dominions where he had his domicil of origin; and that every will made within the United Kingdom by a British subject, whatever may be his domicil at the time of making the same or at the time of his death, shall, as regards personal estate, be held to be well executed if it is executed according to the form required by the laws for the time being in force in that part of the United Kingdom where the same is made. For example, if a British subject is residing or staying temporarily abroad, he can make a will as to his personal property either in the above named English form, or in the form in vogue in the country where he is residing, or in the form of the country where he is domiciled, or in the form of that part of the British dominions where he had his domicil of origin. (See *Domicil.*)

The forms required for making a will in the following foreign countries are regulated, in some part, with modifications, by the Code Napoleon. In France, Belgium, and Italy, a will can be holograph, or by public act, or by secret form. A holograph will to be valid must be written entirely by the testator, and dated and signed by him. No other formality is required. A will by public act is one which is received by two notaries in the presence of two witnesses, or by one notary in the presence of four witnesses. If it is received by two notaries it must be dictated to them by the testator and be written out by one of the notaries, whichever is selected. If there is only one notary it must be in like manner dictated by the testator and written out by the notary. In either case it must be read throughout to the testator in the presence of the witnesses, and it must be signed by the testator and by the witnesses. Neither legatees, nor their relations, nor relatives by marriage to the fourth degree, nor clerks of the notaries employed are capable of being witnesses. A secret will may be written by the testator or by some other person, but it must be signed by the testator himself. The paper which contains the dispositions or the envelope in which it is placed must be closed and sealed. The testator must present it so closed and sealed to a notary and six witnesses at least, or close and seal it in their presence, and declare that it contains his will written and signed by him, or written by some other person and signed by him. It is the duty of the notary to subscribe the document, his subscription being on the paper, or on the leaf which serves for the envelope, and the subscription must be attested by the witnesses. The witnesses must be males, of age, and citizens in full enjoyment of civil rights.

In Spain a will can be holograph, public, or secret. A holograph will must be on paper stamped with the year of its manufacture, and wholly written and signed by the testator, with the date on which it is made, and it must be presented to a judge of first instance of the last domicil of the testator within five years of that date. If this last formality is not complied with the will is invalid. Foreigners can make a holograph will in the language of the country to which they belong. There are also regulations as to the presentation of the will to a judge after the death of the testator. A public will must be received by a notary in the presence of three witnesses, one of whom must be able to read and write, and who must see the testator. The testator is required to make a declaration of his last wishes to the notary. The will, with the statement of the place and date, is then read aloud, and the testator must declare that it is conformable to his wishes. The document is then signed and attested by those of the witnesses who are able to read and write, and the notary must make a declaration to the effect that the testator is capable of making a will. A secret will is made with the same formalities as in France, except that only five witnesses are required, of whom three must sign. The remaining formalities are in the province of the notary. Women, minors, strangers, blind persons, mutes, deaf persons, those who do not understand the language of the testator, persons incapacitated by law, and writers, clerks, servants, and relations of the notary to the fourth degree, and relatives by marriage to the second

degree, cannot be witnesses. In a public will the devisees and legatees cannot be witnesses, nor their relations to the fourth degree, nor relatives by marriage to the second degree.

In Germany, a will can be made in common form before a judge or a notary, or by a testament written and signed by the testator with a statement of the date and place. For the purpose of a will a judge must have the assistance of the registrar or two witnesses; a notary, a second notary, or two witnesses. Relations and relatives by marriage in a direct line, or to the twelfth degree, are incapable of acting as judge, notary, or witnesses. Attestation by legatees avoids their legacies, and minors cannot attest. The testator must declare orally to the judge or the notary his last wishes and have them put into writing. A statement must be made in the will of the place and date, of the description of the testator and the witnesses, and of the dispositions of the testator. This is read over and approved by the testator and then signed by him. If the testator is unacquainted with the German language his written wishes must be translated into German by an interpreter. After the execution, the will is sealed by the judge or notary in the presence of the above mentioned persons and the testator with the public seal, and deposited in a public registry. A certificate of the deposit is handed to the testator. A return of the certificate by the testator operates as a revocation of the will.

The illustrations of wills made in certain foreign countries are given so as to act as a warning to testators who imagine that will making is an easy matter abroad. It would be easy to multiply examples, but enough has been said to show how necessary it is for a person who wishes to make arrangements as to the disposal of his property should secure proper legal advice in all cases when he is not a domiciled Englishman.

The law of England does not make it requisite to the validity of a will that it should assume any particular form, or be couched in language technically appropriate to its testamentary character. It is sufficient that, however irregular in form or inartificial in expression, it discloses the intention of the testator respecting the destination of his property after his death. A will may be printed, typewritten, or otherwise set out, so long as it is clearly expressed. The important fact to be borne in mind is the witnessing of the document. Provided that there are two witnesses to a will, it is immaterial, so far as the validity of the will itself is concerned, who they are, provided they are under no legal disability. But if any person attests a will to whom, or to whose wife or husband, any devise, legacy, or benefit (except charges for payments of debts) is given, such devise, legacy, or benefit is null and void, although the will itself is good as to the rest. The devise, legacy, or benefit will fall into the residue, if there is a residuary bequest; and if not, there will be an intestacy as to the same. It is quite immaterial that there are still two witnesses without the beneficiary, if the will is attested by more than two witnesses. A creditor, with the payment of whose debt the property of the testator is charged by the will, or an executor is a competent witness.

A minor cannot make a valid will according to the law of England. An exception is made in the case of a soldier on active military service, or a mariner at sea, as far as his personal property is concerned. Either of these may make a will verbally before witnesses, so as to dispose of personal estate.

The will of a lunatic is void unless it is proved that the will was executed during a lucid interval. Similarly, the will made by a man who was so drunk as not to know what he was doing is absolutely void. And a will may be set aside if it is shown that its execution was obtained by force, fear, fraud, or undue influence.

A woman who was married before 1883 can only make a will with the consent of her husband. If the marriage took place after 1882 a married woman has full power to dispose by will of the whole of her property as if she were an unmarried woman. If there is no will, the whole of the personal estate of a married woman passes absolutely to her husband.

Although it was pointed out above that no form of attestation is necessary, it is usual to state that the formalities of the Wills Act have been carried out. A common attestation clause is the following:—

"*Signed by the said A.B., the testator, in the presence of us, both present at the same time, who in his presence and at his request and in the presence of each other have hereunto set our names as witnesses.*"

The two witnesses then sign their

names and give descriptions of themselves. In the absence of an attestation clause an affidavit by one of the witnesses will be required after the death of the testator before probate will be granted.

No obliteration, interlineation, or other alteration made in any will after execution is valid unless such alteration, etc., is executed in the same manner as is required for the execution of a will. But a will with such alteration, etc., as part thereof is duly executed if the signature of the testator and the subscriptions of the witnesses are made in the margin or on some other part of the will opposite or near to such alteration, or at the foot or end of, or opposite to a memorandum referring to such alteration, etc., and written at the end or some other part of the will.

A will is always revocable during the lifetime of the testator, even though there is a declaration in it to the effect that it is irrevocable. The revocation is complete if a duly executed subsequent will contains a clause expressly revoking a former will. Also the will of a man or woman is *de facto* revoked by his or her marriage, except where it is made in exercise of a power of appointment when the real and personal estate thereby appointed would not, in default of the appointment, pass to his or her heir, customary heir, executor or administrator, or to the person entitled as his or her next of kin under the Statutes of Distribution. But no will is revoked by any presumption of an intention on the part of a testator. Therefore, unless there is a revocation by implication of law, as above stated, a will, in order to be revoked, must be burned, torn, or otherwise destroyed by the testator or some person in his presence and by his direction, with the intention of revoking the same. No will which has been revoked can be revived except by re-execution, or by a codicil executed in the manner before described, showing an intention to revive it. A codicil is generally used to make some change in the dispositions contained in a will, and forms a kind of appendix to the original will. It must be dated, signed, and attested by two witnesses in the same manner as a will.

A testator sometimes desires to refer to extraneous documents in making his will. It should be borne in mind that it is a rule of law that any papers in existence at the time of execution of a testamentary document may be incorporated into it, and be read as part of it, if so clearly referred to as to leave no doubt what papers were intended. But a document or paper not in existence at the time of the execution of a will cannot be incorporated into it, nor can a testator reserve by his will a power of making a disposition by any subsequent unattested paper. For instance, a person cannot direct legacies given by will to his children to be reduced by what shall appear by his books at his death to have been lent by him to them. Such a direction is void. And similarly, he cannot give to them by will articles which he shall specify in his notebook. But in connection with this matter another rule of law must be borne in mind, that if a parent, or a person standing *in loco parentis*, bequeaths to a child a legacy or a share of the residue of his property, and afterwards in his lifetime gives to such child an equal or a less amount than such legacy or share of residue, the bequest will be wholly or partially, as the case may be, adeemed or satisfied by the subsequent gift.

Where it is known that a will has been made, but cannot be found after the death of the testator, and there is no evidence forthcoming that it has been revoked, secondary evidence is admissible to show what its contents were. Declarations of the testator, whether oral or in writing, are received as evidence for that purpose.

In the case of the will of Lord St. Leonards, the contents of a lost will were allowed to be proved by a single witness, whose competency and veracity were unimpeachable, even though the witness was an interested party. Where it is not possible to prove the whole of the contents of a lost will, probate will be granted to the extent to which they are proved.

If a legatee under a will dies before the testator, the legacy lapses and falls into the residue. And if there is no residuary legatee there is an intestacy as to so much of the estate of the testator as is comprised in the legacy. There is, however, an exception to this rule. If a person being a child or other issue of a testator, to whom any property is devised or bequeathed by such testator, dies in the lifetime of the testator leaving issue, and any such issue survive the testator, such devise or bequest does not lapse by the death of the devisee or legatee in the lifetime of the testator, but takes effect as if the death of such

person had happened immediately after the death of the testator. The effect of this is not that the issue of the person takes the devise or bequest, but that it passes by the will or intestacy of the devisee or legatee as the case may be.

The word "children" in a will means legitimate children. If, therefore, a testator wishes to provide for children of whose legitimacy there is or may be a doubt, he should particularise them by their names or otherwise show by clear words the objects of his beneficence, and not merely describe them as children of A. B.

By the rule against what is known as "perpetuities," a testator cannot by his will tie up property for a longer period than a life or lives in being, and twenty-one years afterwards (allowance being made for gestation where it actually exists) The effect of this rule is that the income arising from property can be dealt with by leaving the property in the hands of trustees for the benefit of any number of persons, who are alive at the time of the testator's death, in succession, and after the decease of the survivor of them for a further period of twenty-one years, so that at the end of such period of twenty-one years the capital must go to some person or persons absolutely. Again, a will cannot direct property and income to be accumulated (except for the payment of debts) for a longer period than twenty-one years from the death of the testator, or during the minority of any person or persons living at his death, or during the minority of any person or persons who would, if of full age, be entitled to the rents and profits or interest of the property. The rule against perpetuities does not apply to legacies left to charities.

Previous to 1892, the Mortmain Acts prohibited devises of lands to charities (with certain exceptions), but now land may be left by will for any charitable use, but it must in every case be sold within a year of the testator's death, unless an extended period is allowed by the High Court or the Charity Commissioners. Also any personal property directed to be laid out in land for charitable uses need not be so expended, but can be held by the charity as an investment. And the High Court, or the Charity Commissioners, if satisfied that the land left by will to a charity, or directed to be purchased out of personalty, is required for occupation, may sanction the retention or the purchase of it.

Upon the death of a testator, it is the duty of his executors to prove his will in order to perfect their title to act. This must be done by all the executors appointed, or by some or one of them, power being reserved for the other or others to prove or to renounce. Probate can be taken out after the lapse of seven days from the death of the testator. If the executors intermeddle with the estate, or in any way administer it without taking out probate within six months after the death of the testator, they are liable to a fine of £100, and a percentage on the stamp duty. (See *Executor*.)

For the safe custody of the wills and codicils of living persons, a depository has been provided at Somerset House. The wills or codicils are received at the principal or any district registry, if they are enclosed in sealed envelopes, and forwarded to Somerset House upon compliance with prescribed regulations. These regulations will always be furnished upon application. The fee charged is 12*s*. 6*d*.

The will of any person, after it has been proved, may be read at Somerset House on payment of a fee of one shilling. It is, in fact, a public document. A copy may also be obtained, the price of the copy being dependent upon the length of the document.

WINDING-UP. (Fr. *Liquidation*, Ger. *Liquidation*, Sp. *Liquidación*, It. *Liquidazione*.)

The winding-up of a company means the closing up of all the business transactions and finance of the whole concern. Winding-up is the only process by means of which a company is brought to an end, and it does not therefore necessariln follow that a company is insolvent when this process is resorted to. Whilst its affairs are being wound up, a company is said to be "in liquidation." (See *Companies*.)

WINDOW DRESSING. (Fr. *Faire l'étalage*, Ger. *Schaufensterausschmücken*, Sp. *Arreglar, adornar los escaparates*, It. *Disposizione delle mostre, disposizione delle vetrine*.)

This is quite a modern term and generally speaking it means a method of displaying goods to the best advantage. In financial circles, however, it is usual to indicate that the banks are calling in loans in order to make their cash balances appear large in the periodical statements issued by them.

WINDWARD. (Fr. *Côté du vent*, Ger. *windwärts*, Sp. *Al viento*, It. *A sopravento*.)

This is the side of a ship facing the quarter from which the wind blows.

WITHOUT ENGAGEMENT. (Fr. *Sans engagement*, Ger. *unverbindlich*, Sp. *Sin compromiso, sin empeño*, It. *Senza impegno.*)

This is a term sometimes used by merchants when quoting the price of certain articles liable to sudden fluctuations. It means that the quotation they give is the market price of the day, but they do not bind themselves to accept an order at it.

WITHOUT PREJUDICE. (Fr. *Sans préjudice*, Ger. *unbeschadet*, Sp. *Sin prejuicio*, It. *Senza pregiudizio.*)

In the course of legal proceedings, either of the parties may desire to make an effort to come to terms. Correspondence or interviews then take place, and if it is made clear that the interviews are confidential, or if the letters are marked "without prejudice," no use can be made of either as evidence if the case ever goes into court, that is, a letter written without prejudice can never be read except by leave of the party who has written it. The reply to a letter thus marked is equally privileged.

WITHOUT RECOURSE. (Fr. *Sans recours*, Ger. *ohne Obligo*, Sp. *Sin recurso*, It. *Senza ricorso.*)

These words are sometimes written by an indorser on a bill of exchange, though the French phrase, *sans recours*, is the more common, implying that the indorsee has no claim against the indorser should the bill not be paid when it becomes due. The words are only used when the indorser has no personal interest in the bill, and has only acted as agent for another person.

WITHOUT RESERVE. (Fr. *Sans mise à prix*, Ger. *ohne Vorbehalt, unbedingt*, Sp. *Sin reserva*, It. *Senza riserva.*)

This is an auction term, signifying that the goods offered for sale will be sold absolutely to the highest bidder. The law upon the subject was thus stated by Baron Martin: "The sale was announced by the auctioneers to be without reserve. This, according to all the cases both at law and in equity, means that neither the vendor nor any person in his behalf shall bid at the auction, and that the property shall be sold to the highest bidder, whether the sum be equivalent to the real value or not. We cannot distinguish the case of an auctioneer putting up property for sale upon such a condition from the case of the loser of property offering a reward, or that of a railway company publishing a time-table stating the times when, and the places to which, trains run. It has been decided that the person giving the information advertised for, or a passenger taking a ticket, may sue as upon a contract with him. Upon the same principle, it seems to us that the highest *bonâ fide* bidder at an auction may sue the auctioneer as upon a contract that the sale shall be without reserve."

WORKING PARTNER. (Fr. *Associé actif*, Ger. *aktiver Teilhaber*, Sp. *Socio activo*, It. *Socio attivo.*)

A working partner is a partner who gives, in addition to the capital which he has invested, his labour and experience for the benefit of the business.

WORKMEN'S COMPENSATION ACT, 1906. This Act was passed to amend and amplify the provisions of the Acts of 1897 and 1900, and came into force on the 1st July, 1907. The persons who are now brought within the statute are so numerous that it is unsafe for any employer to attempt to dispense with insurance. The chief difficulties which arise are in respect of whether the person who is injured met with the accident through some event arising "out of and in the course of his employment," and the amount of compensation, and it is hopeless to attempt to arrive at any satisfactory conclusion by means of a short summary. Another very common defence is absence of statutory notice, and this point has given rise to a large number of cases, in which the decisions often appear to be much at variance. In order, however, that the general nature of liability may be known the text of the Act is given in full.

1.—(1) If in any employment personal injury by accident arising out of and in the course of the employment is caused to a workman, his employer shall, subject as hereinafter mentioned, be liable to pay compensation in accordance with the First Schedule to this Act.

(2) Provided that—

(*a*) The employer shall not be liable under this Act in respect of any injury which does not disable the workman for a period of at least one week from earning full wages at the work at which he was employed:

(*b*) When the injury was caused by the personal negligence or wilful act of the employer or of some person for whose act or default the employer is responsible, nothing in this Act shall affect any civil liability of the employer, but in that case the workman may, at his option, either claim compensation under this Act

or take proceedings independently of this Act; but the employer shall not be liable to pay compensation for injury to a workman by accident arising out of and in the course of the employment both independently of and also under this Act, and shall not be liable to any proceedings independently of this Act, except in case of such personal negligence or wilful act as aforesaid:

(c) If it is proved that the injury to a workman is attributable to the serious and wilful misconduct of that workman, any compensation claimed in respect of that injury shall, unless the injury results in death or serious and permanent disablement, be disallowed.

(3) If any question arises in any proceedings under this Act as to the liability to pay compensation under this Act (including any question as to whether the person injured is a workman to whom this Act applies), or as to the amount or duration of compensation under this Act, the question, if not settled by agreement, shall, subject to the provisions of the First Schedule to this Act, be settled by arbitration, in accordance with the Second Schedule to this Act.

(4) If, within the time hereinafter in this Act limited for taking proceedings, an action is brought to recover damages independently of this Act for injury caused by any accident, and it is determined in such action that the injury is one for which the employer is not liable in such action, but that he would have been liable to pay compensation under the provisions of this Act, the action shall be dismissed; but the court in which the action is tried shall, if the plaintiff so choose, proceed to assess such compensation, but may deduct from such compensation all or part of the costs which, in its judgment, have been caused by the plaintiff bringing the action instead of proceeding under this Act. In any proceeding under this subsection, when the court assesses the compensation it shall give a certificate of the compensation it has awarded and the directions it has given as to the deduction for costs, and such certificate shall have the force and effect of an award under this Act.

(5) Nothing in this Act shall affect any proceeding for a fine under the enactments relating to mines, factories, or workshops, or the application of any such fine.

2.—(1) Proceedings for the recovery under this Act of compensation for an injury shall not be maintainable unless notice of the accident has been given as soon as practicable after the happening thereof and before the workman has voluntarily left the employment in which he was injured, and unless the claim for compensation with respect to such accident has been made within six months from the occurrence of the accident causing the injury, or, in case of death, within six months from the time of death:

Provided always that—

(a) the want of or any defect or inaccuracy in such notice shall not be a bar to the maintenance of such proceedings if it is found in the proceedings for settling the claim that the employer is not, or would not, if a notice or an amended notice were then given and the hearing postponed, be prejudiced in his defence by the want, defect, or inaccuracy, or that such want, defect, or inaccuracy was occasioned by mistake, absence from the United Kingdom, or other reasonable cause; and

(b) the failure to make a claim within the period above specified shall not be a bar to the maintenance of such proceedings if it is found that the failure was occasioned by mistake, absence from the United Kingdom, or other reasonable cause.

(2) Notice in respect of an injury under this Act shall give the name and address of the person injured, and shall state in ordinary language the cause of the injury and the date at which the accident happened, and shall be served on the employer, or, if there is more than one employer, upon one of such employers.

(3) The notice may be served by delivering the same at, or sending it by post in a registered letter addressed to, the residence or place of business of the person on whom it is to be served.

(4) Where the employer is a body of persons, corporate or unincorporate, the notice may also be served by delivering the same at, or by sending it by post in a registered letter addressed to, the employer at the office, or, if there be more than one office, any one of the offices of such body.

3.—(1) If the Registrar of Friendly Societies, after taking steps to ascertain the views of the employer and workmen, certifies that any scheme of compensation, benefit, or insurance for the workmen of an employer in any employment, whether or not such scheme includes other employers and their workmen, provides scales of compensation not less favourable to the workmen and their dependants

than the corresponding scales contained in this Act, and that, where the scheme provides for contributions by the workmen, the scheme confers benefits at least equivalent to those contributions, in addition to the benefits to which the workmen would have been entitled under this Act, and that a majority (to be ascertained by ballot) of the workmen to whom the scheme is applicable are in favour of such scheme, the employer may, whilst the certificate is in force, contract with any of his workmen that the provisions of the scheme shall be substituted for the provisions of this Act, and thereupon the employer shall be liable only in accordance with the scheme, but, save as aforesaid, this Act shall apply notwithstanding any contract to the contrary made after the commencement of this Act.

(2) The Registrar may give a certificate to expire at the end of a limited period of not less than five years, and may from time to time renew with or without modifications such a certificate to expire at the end of the period for which it is renewed.

(3) No scheme shall be so certified which contains an obligation upon the workmen to join the scheme as a condition of their hiring, or which does not contain provisions enabling a workman to withdraw from the scheme.

(4) If complaint is made to the Registrar of Friendly Societies by or on behalf of the workmen of any employer that the benefits conferred by any scheme no longer conform to the conditions stated in sub-section (1) of this section, or that the provisions of such scheme are being violated, or that the scheme is not being fairly administered, or that satisfactory reasons exist for revoking the certificate, the Registrar shall examine into the complaint, and, if satisfied that good cause exists for such complaint, shall, unless the cause of complaint is removed, revoke the certificate.

(5) When a certificate is revoked or expires, any moneys or securities held for the purpose of the scheme shall, after due provision has been made to discharge the liabilities already accrued, be distributed as may be arranged between the employer and workmen, or as may be determined by the Registrar of Friendly Societies in the event of a difference of opinion.

(6) Whenever a scheme has been certified as aforesaid, it shall be the duty of the employer to answer all such inquiries and to furnish all such accounts in regard to the scheme as may be made or required by the Registrar of Friendly Societies.

(7) The Chief Registrar of Friendly Societies shall include in his annual report the particulars of the proceedings of the Registrar under this Act.

(8) The Chief Registrar of Friendly Societies may make regulations for the purpose of carrying this section into effect.

4.—(1) Where any person (in this section referred to as the principal), in the course of or for the purposes of his trade or business, contracts with any other person (in this section referred to as the contractor) for the execution by or under the contractor of the whole or any part of any work undertaken by the principal, the principal shall be liable to pay to any workman employed in the execution of the work any compensation under this Act which he would have been liable to pay if that workman had been immediately employed by him; and where compensation is claimed from or proceedings are taken against the principal, then, in the application of this Act, references to the principal shall be substituted for references to the employer, except that the amount of compensation shall be calculated with reference to the earnings of the workman under the employer by whom he is immediately employed:

Provided that where the contract relates to threshing, ploughing, or other agricultural work, and the contractor provides and uses machinery driven by mechanical power for the purpose of such work, he and he alone shall be liable under this Act to pay compensation to any workman employed by him on such work.

(2) Where the principal is liable to pay compensation under this section, he shall be entitled to be indemnified by any person who would have been liable to pay compensation to the workman independently of this section, and all questions as to the right to and amount of any such indemnity shall in default of agreement be settled by arbitration under this Act.

(3) Nothing in this section shall be construed as preventing a workman recovering compensation under this Act from the contractor instead of the principal.

(4) This section shall not apply in any case where the accident occurred elsewhere than on, or in, or about premises on which the principal has undertaken

to execute the work or which are otherwise under his control or management.

5.—(1) Where any employer has entered into a contract with any insurers in respect of any liability under this Act to any workman, then, in the event of the employer becoming bankrupt, or, making a composition or arrangement with his creditors, or if the employer is a company in the event of the company having commenced to be wound up, the rights of the employer against the insurers as respects that liability shall, notwithstanding anything in the enactments relating to bankruptcy and the winding-up of companies, be transferred to and vest in the workman, and upon any such transfer the insurers shall have the same rights and remedies and be subject to the same liabilities as if they were the employer, so however that the insurers shall not be under any greater liability to the workman than they would have been under to the employer.

(2) If the liability of the insurers to the workman is less than the liability of the employer to the workman, the workman may prove for the balance in the bankruptcy or liquidation.

(3) There shall be included among the debts which under section one of the Preferential Payments in Bankruptcy Act, 1888, and section four of the Preferential Payments in Bankruptcy (Ireland) Act, 1889, are in the distribution of the property of a bankrupt and in the distribution of the assets of a company being wound up to be paid in priority to all other debts, the amount, not exceeding in any individual case one hundred pounds, due in respect of any compensation the liability whereof accrued before the date of the receiving order or the date of the commencement of the winding-up, and those Acts and the Preferential Payments in Bankruptcy Amendment Act, 1897, shall have effect accordingly. Where the compensation is a weekly payment, the amount due in respect thereof shall, for the purpose of this provision, be taken to be the amount of the lump sum for which the weekly payment could, if redeemable, be redeemed if the employer made an application for that purpose under the First Schedule to this Act.

(4) In the case of the winding-up of a company within the meaning of the Stannaries Act, 1887, such an amount as aforesaid, if the compensation is payable to a miner or the dependants of a miner, shall have the like priority as is conferred on wages of miners by section nine of that Act, and that section shall have effect accordingly.

(5) The provisions of this section with respect to preferences and priorities shall not apply where the bankrupt or the company being wound up has entered into such a contract with insurers as aforesaid.

(6) This section shall not apply where a company is wound up voluntarily merely for the purposes of reconstruction or of amalgamation with another company.

6.—Where the injury for which compensation is payable under this Act was caused under circumstances creating a legal liability in some person other than the employer to pay damages in respect thereof—

(1) The workman may take proceedings both against that person to recover damages and against any person liable to pay compensation under this Act for such compensation, but shall not be entitled to recover both damages and compensation; and

(2) If the workman has recovered compensation under this Act, the person by whom the compensation was paid, and any person who has been called on to pay an indemnity under the section of this Act relating to sub-contracting, shall be entitled to be indemnified by the person so liable to pay damages as aforesaid, and all questions as to the right to and amount of any such indemnity shall, in default of agreement, be settled by action, or, by consent of the parties, by arbitration under this Act.

7.—(1) This Act shall apply to masters, seamen, and apprentices to the sea service and apprentices in the sea-fishing service, provided that such persons are workmen within the meaning of this Act, and are members of the crew of any ship registered in the United Kingdom, or of any other British ship or vessel of which the owner, or (if there is more than one owner) the managing owner, or manager resides or has his principal place of business in the United Kingdom, subject to the following modifications:—

(*a*) The notice of accident and the claim for compensation may, except where the person injured is the master, be served on the master of the ship as if he were the employer, but where the accident happened and the incapacity commenced on board the ship it shall not be necessary to give any notice of the accident:

(*b*) In the case of the death of the master, seaman, or apprentice, the claim

for compensation shall be made within six months after news of the death has been received by the claimant:

(c) Where an injured master, seaman, or apprentice is discharged or left behind in a British possession or in a foreign country, depositions respecting the circumstances and nature of the injury may be taken by any judge or magistrate in the British possession, and by any British consular officer in the foreign country, and if so taken shall be transmitted by the person by whom they are taken to the Board of Trade, and such depositions or certified copies thereof shall in any proceedings for enforcing the claim be admissible in evidence as provided by sections six hundred and ninety-one and six hundred and ninety-five of the Merchant Shipping Act, 1894, and those sections shall apply accordingly:

(d) In the case of the death of a master, seaman, or apprentice, leaving no dependants, no compensation shall be payable, if the owner of the ship is, under the Merchant Shipping Act, 1894, liable to pay the expenses of burial:

(e) The weekly payment shall not be payable in respect of the period during which the owner of the ship is, under the Merchant Shipping Act, 1894, as amended by any subsequent enactment, or otherwise, liable to defray the expenses of maintenance of the injured master, seaman, or apprentice:

(f) Any sum payable by way of compensation by the owner of a ship under this Act shall be paid in full notwithstanding anything in section five hundred and three of the Merchant Shipping Act, 1894 (which relates to the limitation of a shipowner's liability in certain cases of loss of life, injury, or damage), but the limitation on the owner's liability imposed by that section shall apply to the amount recoverable by way of indemnity under the section of this Act relating to remedies both against employer and stranger as if the indemnity were damages for loss of life or personal injury:

(g) Sub-sections (2) and (3) of section one hundred and seventy-four of the Merchant Shipping Act, 1894 (which relates to the recovery of wages of seamen lost with their ship), shall apply as respects proceedings for the recovery of compensation by dependants of masters, seamen, and apprentices lost with their ship as they apply with respect to proceedings for the recovery of wages due to seamen and apprentices; and proceedings for the recovery of compensation shall in such a case be maintainable if the claim is made within eighteen months of the date at which the ship is deemed to have been lost with all hands.

(2) This Act shall not apply to such members of the crew of a fishing vessel as are remunerated by shares in the profits or the gross earnings of the working of such vessel.

(3) This section shall extend to pilots to whom Part X of the Merchant Shipping Act, 1894, applies, as if a pilot when employed on any such ship as aforesaid were a seaman and a member of the crew.

8.—(1) Where—

(i) the certifying surgeon appointed under the Factory and Workshop Act, 1901, for the district in which a workman is employed certifies that the workman is suffering from a disease mentioned in the Third Schedule to this Act and is thereby disabled from earning full wages at the work at which he was employed; or

(ii) a workman is, in pursuance of any special rules or regulations made under the Factory and Workshop Act, 1901, suspended from his usual employment on account of having contracted any such disease; or

(iii) the death of a workman is caused by any such disease;

and the disease is due to the nature of any employment in which the workman was employed at any time within the twelve months previous to the date of the disablement or suspension, whether under one or more employers, he or his dependants shall be entitled to compensation under this Act as if the disease or such suspension as aforesaid were a personal injury by accident arising out of and in the course of that employment, subject to the following modifications:—

(a) The disablement or suspension shall be treated as the happening of the accident;

(b) If it is proved that the workman has at the time of entering the employment wilfully and falsely represented himself in writing as not having previously suffered from the disease, compensation shall not be payable;

(c) The compensation shall be recoverable from the employer who last employed the workman during the said twelve months in the employment to the nature of which the disease was due:

Provided that—

(i) the workman or his dependants if so required shall furnish that employer

with such information as to the names and addresses of all the other employers who employed him in the employment during the said twelve months as he or they may possess, and, if such information is not furnished, or is not sufficient to enable that employer to take proceedings under the next following proviso, that employer upon proving that the disease was not contracted whilst the workman was in his employment shall not be liable to pay compensation ; and

(ii) if that employer alleges that the disease was in fact contracted whilst the workman was in the employment of some other employer, and not whilst in his employment, he may join such other employer as a party to the arbitration, and if the allegation is proved that other employer shall be the employer from whom the compensation is to be recoverable ; and

(iii) if the disease is of such a nature as to be contracted by a gradual process, any other employers who during the said twelve months employed the workman in the employment to the nature of which the disease was due shall be liable to make to the employer from whom compensation is recoverable such contributions as, in default of agreement, may be determined in the arbitration under this Act for settling the amount of the compensation ;

(*d*) The amount of the compensation shall be calculated with reference to the earnings of the workman under the employer from whom the compensation is recoverable ;

(*e*) The employer to whom notice of the death, disablement, or suspension is to be given shall be the employer who last employed the workman during the said twelve months in the employment to the nature of which the disease was due, and the notice may be given notwithstanding that the workman has voluntarily left his employment.

(*f*) If an employer or a workman is aggrieved by the action of a certifying or other surgeon in giving or refusing to give a certificate of disablement or in suspending or refusing to suspend a workman for the purposes of this section, the matter shall in accordance with regulations made by the Secretary of State be referred to a medical referee, whose decision shall be final.

(2) If the workman at or immediately before the date of the disablement or suspension was employed in any process mentioned in the second column of the Third Schedule to this Act, and the disease contracted is the disease in the first column of that Schedule set opposite the description of the process, the disease, except where the certifying surgeon certifies that in his opinion the disease was not due to the nature of the employment, shall be deemed to have been due to the nature of that employment, unless the employer proves the contrary.

(3) The Secretary of State may make rules regulating the duties and fees of certifying and other surgeons (including dentists) under this section.

(4) For the purposes of this section the date of disablement shall be such date as the certifying surgeon certifies as the date on which the disablement commenced, or, if he is unable to certify such a date, the date on which the certificate is given. Provided that—

(*a*) Where the medical referee allows an appeal against a refusal by a certifying surgeon to give a certificate of disablement, the date of disablement shall be such date as the medical referee may determine :

(*b*) Where a workman dies without having obtained a certificate of disablement, or is at the time of death not in receipt of a weekly payment on account of disablement, it shall be the date of death.

(5) In such cases, and subject to such conditions as the Secretary of State may direct, a medical practitioner appointed by the Secretary of State for the purpose shall have the powers and duties of a certifying surgeon under this section, and this section shall be construed accordingly.

(6) The Secretary of State may make orders for extending the provisions of this section to other diseases and other processes, and to injuries due to the nature of any employment specified in the order not being injuries by accident, either without modification or subject to such modifications as may be contained in the order.

(7) Where, after inquiry held on the application of any employers or workmen engaged in any industry to which this section applies, it appears that a mutual trade insurance company or society for insuring against the risks under this section has been established for the industry, and that a majority of the employers engaged in that industry are insured against such risks in the company or society and that the company or society consents, the Secretary of State may, by Provisional Order, require all employers in that industry to insure in the company or society upon such

terms and under such conditions and subject to such exceptions as may be set forth in the Order. Where such a company or society has been established but is confined to employers in any particular locality or of any particular class, the Secretary of State may for the purposes of this provision treat the industry, as carried on by employers in that locality or of that class, as a separate industry.

(8) A Provisional Order made under this section shall be of no force whatever unless and until it is confirmed by Parliament, and if, while the Bill confirming any such Order is pending in either House of Parliament, a petition is presented against the Order, the Bill may be referred to a Select Committee, and the petitioner shall be allowed to appear and oppose as in the case of Private Bills, and any Act confirming any Provisional Order under this section may be repealed, altered, or amended by a Provisional Order made and confirmed in like manner.

(9) Any expenses incurred by the Secretary of State in respect of any such Order, Provisional Order, or confirming Bill shall be defrayed out of moneys provided by Parliament.

(10) Nothing in this section shall affect the rights of a workman to recover compensation in respect of a disease to which this section does not apply, if the disease is a personal injury by accident within the meaning of this Act.

9.—(1) This Act shall not apply to persons in the naval or military service of the Crown, but otherwise shall apply to workmen employed by or under the Crown to whom this Act would apply if the employer were a private person:

Provided that in the case of a person employed in the private service of the Crown, the head of that department of the Royal Household in which he was employed at the time of the accident shall be deemed to be his employer.

(2) The Treasury may, by warrant laid before Parliament, modify for the purposes of this Act their warrant made under section one of the Superannuation Act, 1887, and notwithstanding anything in that Act, or any such warrant, may frame schemes with a view to their being certified by the Registrar of Friendly Societies under this Act.

10.—(1) The Secretary of State may appoint such legally qualified medical practitioners to be medical referees for the purposes of this Act as he may, with the sanction of the Treasury, determine, and the remuneration of, and other expenses incurred by, medical referees under this Act shall, subject to regulations made by the Treasury, be paid out of moneys provided by Parliament.

Where a medical referee has been employed as a medical practitioner in connection with any case by or on behalf of an employer or workman or by any insurers interested, he shall not act as medical referee in that case.

(2) The remuneration of an arbitrator appointed by a judge of county courts under the Second Schedule to this Act shall be paid out of moneys provided by Parliament in accordance with regulations made by the Treasury.

11.—(1) If it is alleged that the owners of any ship are liable as such owners to pay compensation under this Act, and at any time that ship is found in any port or river of England or Ireland, or within three miles of the coast thereof, a judge of any court of record in England or Ireland may, upon its being shown to him by any person applying in accordance with the rules of the court that the owners are probably liable as such to pay such compensation, and that none of the owners reside in the United Kingdom, issue an order directed to any officer of customs or other officer named by the judge requiring him to detain the ship until such time as the owners, agent, master, or consignee thereof have paid such compensation, or have given security to be approved by the judge, to abide the event of any proceedings that may be instituted to recover such compensation and to pay such compensation and costs as may be awarded thereon; and any officer of customs or other officer to whom the order is directed shall detain the ship accordingly.

(2) In any legal proceeding to recover such compensation, the person giving security shall be made defendant, and the production of the order of the judge, made in relation to the security, shall be conclusive evidence of the liability of the defendant to the proceeding.

(3) Section six hundred and ninety-two of the Merchant Shipping Act, 1894, shall apply to the detention of a ship under this Act as it applies to the detention of a ship under that Act, and, if the owner of a ship is a corporation, it shall for the purposes of this section be deemed to reside in the United Kingdom if it has an office in the United Kingdom at which service of writs can be effected.

12.—(1) Every employer in any industry to which the Secretary of State may direct that this section shall apply

shall, on or before such day in every year as the Secretary of State may direct, send to the Secretary of State a correct return specifying the number of injuries in respect of which compensation has been paid by him under this Act during the previous year, and the amount of such compensation, together with such other particulars as to the compensation as the Secretary of State may direct, and in default of complying with this section shall be liable on conviction under the Summary Jurisdiction Acts to a fine not exceeding five pounds.

(2) Any regulations made by the Secretary of State containing such directions as aforesaid shall be laid before both Houses of Parliament as soon as may be after they are made.

13.—In this Act, unless the context otherwise requires—

"Employer" includes any body of persons corporate or unincorporate and the legal personal representative of a deceased employer, and, where the services of workman are temporarily lent or let on hire to another person by the person with whom the workman has entered into a contract of service or apprenticeship, the latter shall, for the purposes of this Act, be deemed to continue to be the employer of the workman whilst he is working for that other person;

"Workman" does not include any person employed otherwise than by way of manual labour whose remuneration exceeds two hundred and fifty pounds a year, or a person whose employment is of a casual nature and who is employed otherwise than for the purposes of the employer's trade or business, or a member of a police force, or an outworker, or a member of the employer's family dwelling in his house, but, save as aforesaid, means any person who has entered into or works under a contract of service or apprenticeship with an employer, whether by way of manual labour, clerical work, or otherwise, and whether the contract is expressed or implied, is oral or in writing;

Any reference to a workman who has been injured shall, where the workman is dead, include a reference to his legal personal representative or to his dependants or other person to whom or for whose benefit compensation is payable;

"Dependants" means such of the members of the workman's family as were wholly or in part dependent upon the earnings of the workman at the time of his death, or would but for the incapacity due to the accident have been so dependent, and where the workman, being the parent or grandparent of an illegitimate child, leaves such a child so dependent upon his earnings, or, being an illegitimate child, leaves a parent or grandparent so dependent upon his earnings, shall include such an illegitimate child and parent or grandparent respectively;

"Member of a family" means wife or husband, father, mother, grandfather, grandmother, step-father, step-mother, son, daughter, grandson, granddaughter, step-son, step-daughter, brother, sister, half-brother, half-sister;

"Ship," "vessel," "seaman," and "port" have the same meanings as in the Merchant Shipping Act, 1894;

"Manager," in relation to a ship, means the ship's husband or other person to whom management of the ship is entrusted by or on behalf of the owner;

"Police force" means a police force to which the Police Act, 1890, or the Police (Scotland) Act, 1890, applies, the City of London Police Force, the Royal Irish Constabulary, and the Dublin Metropolitan Police Force;

"Outworker" means a person to whom articles or materials are given out to be made up, cleaned, washed, altered, ornamented, finished, or repaired, or adapted for sale, in his own home or on other premises not under the control or management of the person who gave out the materials or articles;

The exercise and performance of the powers and duties of a local or other public authority shall, for the purposes of this Act, be treated as the trade or business of the authority;

"County court," "judge of the county court," "registrar of the county court," "plaintiff," and "rules of court," as respects Scotland, mean respectively sheriff court, sheriff, sheriff clerk, pursuer, and act of sederunt.

14.—In Scotland, where a workman raises an action against his employer independently of this Act in respect of any injury caused by accident arising out of and in the course of the employment, the action, if raised in the sheriff court and concluding for damages under the Employers' Liability Act, 1880, or alternatively at common law or under the Employers' Liability Act, 1880, shall, notwithstanding anything contained in that Act, not be removed under that Act or otherwise to the Court of Session, nor shall it be appealed to that court otherwise than by appeal on a question of law; and for the purposes of such appeal

the provisions of the Second Schedule to this Act in regard to an appeal from the decision of the sheriff on any question of law determined by him as arbitrator under this Act shall apply.

15.—(1) Any contract (other than a contract substituting the provisions of a scheme certified under the Workmen's Compensation Act, 1897, for the provisions of that Act) existing at the commencement of this Act, whereby a workman relinquishes any right to compensation from the employer for personal injury arising out of and in the course of his employment, shall not, for the purposes of this Act, be deemed to continue after the time at which the workman's contract of service would determine if notice of the determination thereof were given at the commencement of this Act.

(2) Every scheme under the Workmen's Compensation Act, 1897, in force at the commencement of this Act shall, if re-certified by the Registrar of Friendly Societies, have effect as if it were a scheme under this Act.

(3) The Registrar shall re-certify any such scheme if it is proved to his satisfaction that the scheme conforms, or has been so modified as to conform, with the provisions of this Act as to schemes.

(4) If any such scheme has not been so re-certified before the expiration of six months from the commencement of this Act, the certificate thereof shall be revoked.

16.—(1) This Act shall come into operation on the first day of July nineteen hundred and seven, but, except so far as it relates to references to medical referees, and proceedings consequential thereon, shall not apply in any case where the accident happened before the commencement of this Act.

(2) The Workmen's Compensation Acts, 1897 and 1900, are hereby repealed, but shall continue to apply to cases where the accident happened before the commencement of this Act, except to the extent to which this Act applies to those cases.

17.—This Act may be cited as the Workmen's Compensation Act, 1906.

SCHEDULES.

FIRST SCHEDULE.

Scale and Conditions of Compensation.

(1) The amount of compensation under this Act shall be—

(*a*) where death results from the injury—

(i) if the workman leaves any dependants wholly dependent upon his earnings, a sum equal to his earnings in the employment of the same employer during the three years next preceding the injury or the sum of one hundred and fifty pounds, whichever of those sums is the larger, but not exceeding in any case three hundred pounds, provided that the amount of any weekly payments made under this Act, and any lump sum paid in redemption thereof, shall be deducted from such sum, and, if the period of the workman's employment by the said employer has been less than the said three years, then the amount of his earnings during the said three years shall be deemed to be one hundred and fifty-six times his average weekly earnings during the period of his actual employment under the said employer;

(ii) if the workman does not leave any such dependants, but leaves any dependants in part dependent upon his earnings, such sum, not exceeding in any case the amount payable under the foregoing provisions, as may be agreed upon, or, in default of agreement, may be determined, on arbitration under this Act, to be reasonable and proportionate to the injury to the said dependants; and

(iii) if he leaves no dependants, the reasonable expenses of his medical attendance and burial, not exceeding ten pounds;

(*b*) where total or partial incapacity for work results from the injury, a weekly payment during the incapacity not exceeding fifty per cent. of his average weekly earnings during the previous twelve months, if he has been so long employed, but if not then for any less period during which he has been in the employment of the same employer, such weekly payment not to exceed one pound

Provided that—

(*a*) if the incapacity lasts less than two weeks no compensation shall be payable in respect of the first week; and

(*b*) as respects the weekly payments during total incapacity of a workman who is under twenty-one years of age at the date of the injury, and whose average weekly earnings are less than twenty shillings, one hundred per cent. shall be substituted for fifty per cent. of his average weekly earnings, but the weekly payment shall in no case exceed ten shillings.

(2) For the purposes of the provisions of this schedule relating to "earnings"

and "average weekly earnings" of a workman, the following rules shall be observed—

(*a*) average weekly earnings shall be computed in such manner as is best calculated to give the rate per week at which the workman was being remunerated. Provided that where by reason of the shortness of the time during which the workman has been in the employment of his employer, or the casual nature of the employment, or the terms of the employment, it is impracticable at the date of the accident to compute the rate of remuneration, regard may be had to the average weekly amount which, during the twelve months previous to the accident, was being earned by a person in the same grade employed at the same work by the same employer, or, if there is no person so employed, by a person in the same grade employed in the same class of employment and in the same district;

(*b*) where the workman had entered into concurrent contracts of service with two or more employers under which he worked at one time for one such employer and at another time for another such employer, his average weekly earnings shall be computed as if his earnings under all such contracts were earnings in the employment of the employer for whom he was working at the time of the accident;

(*c*) employment by the same employer shall be taken to mean employment by the same employer in the grade in which the workman was employed at the time of the accident, uninterrupted by absence from work due to illness or any other unavoidable cause;

(*d*) where the employer has been accustomed to pay to the workman a sum to cover any special expenses entailed on him by the nature of his employment, the sum so paid shall not be reckoned as part of the earnings.

(3) In fixing the amount of the weekly payment, regard shall be had to any payment, allowance, or benefit which the workman may receive from the employer during the period of his incapacity, and in the case of partial incapacity the weekly payment shall in no case exceed the difference between the amount of the average weekly earnings of the workman before the accident and the average weekly amount which he is earning or is able to earn in some suitable employment or business after the accident, but shall bear such relation to the amount of that difference as under the circumstances of the case may appear proper.

(4) Where a workman has given notice of an accident, he shall, if so required by the employer, submit himself for examination by a duly qualified medical practitioner provided and paid by the employer, and, if he refuses to submit himself to such examination, or in any way obstructs the same, his right to compensation, and to take or prosecute any proceeding under this Act in relation to compensation, shall be suspended until such examination has taken place.

(5) The payment in the case of death shall, unless otherwise ordered as hereinafter provided, be paid into the county court, and any sum so paid into court shall, subject to rules of court and the provisions of this schedule, be invested, applied, or otherwise dealt with by the court in such manner as the court in its discretion thinks fit for the benefit of the persons entitled thereto under this Act, and the receipt of the registrar of the court shall be a sufficient discharge in respect of the amount paid in:

Provided that, if so agreed, the payment in case of death shall, if the workman leaves no dependants, be made to his legal personal representative, or, if he has no such representative, to the person to whom the expenses of medical attendance and burial are due.

(6) Rules of court may provide for the transfer of money paid into court under this Act from one court to another, whether or not the court from which it is to be transferred is in the same part of the United Kingdom as the court to which it is to be transferred.

(7) Where a weekly payment is payable under this Act to a person under any legal disability, a county court may, on application being made in accordance with rules of court, order that the weekly payment be paid during the disability into court, and the provisions of this schedule with respect to sums required by this schedule to be paid into court shall apply to sums paid into court in pursuance of any such order.

(8) Any question as to who is a dependant shall, in default of agreement, be settled by arbitration under this Act, or, if not so settled before payment into court under this schedule, shall be settled by the county court, and the amount payable to each dependant shall be settled by arbitration under this Act, or, if not so settled before payment into court under this schedule, by the county court. Where there are both total and partial dependants nothing in this schedule shall

be construed as preventing the compensation being allotted partly to the total and partly to the partial dependants.

(9) Where, on application being made in accordance with rules of court, it appears to a county court that, on account of neglect of children on the part of a widow, or on account of the variation of the circumstances of the various dependants, or for any other sufficient cause, an order of the court or an award as to the apportionment amongst the several dependants of any sum paid as compensation, or as to the manner in which any sum payable to any such dependant is to be invested, applied, or otherwise dealt with, ought to be varied, the court may make such order for the variation of the former order or the award, as in the circumstances of the case the court may think just.

(10) Any sum which under this schedule is ordered to be invested may be invested in whole or in part in the Post Office Savings Bank by the registrar of the county court in his name as registrar.

(11) Any sum to be so invested may be invested in the purchase of an annuity from the National Debt Commissioners through the Post Office Savings Bank, or be accepted by the Postmaster-General as a deposit in the name of the registrar as such, and the provisions of any statute or regulations respecting the limits of deposits in savings banks, and the declaration to be made by a depositor, shall not apply to such sums.

(12) No part of any money invested in the name of the registrar of any county court in the Post Office Savings Bank under this Act shall be paid out, except upon authority addressed to the Postmaster-General by the Treasury or, subject to regulations of the Treasury, by the judge or registrar of the county court.

(13) Any person deriving any benefit from any moneys invested in a post office savings bank under the provisions of this Act may, nevertheless, open an account in a post office savings bank or in any other savings bank in his own name without being liable to any penalties imposed by any statute or regulations in respect of the opening of accounts in two savings banks, or of two accounts in the same savings bank.

(14) Any workman receiving weekly payments under this Act shall, if so required by the employer, from time to time submit himself for examination by a duly qualified medical practitioner provided and paid by the employer. If the workman refuses to submit himself to such examination, or in any way obstructs the same, his right to such weekly payments shall be suspended until such examination has taken place.

(15) A workman shall not be required to submit himself for examination by a medical practitioner under paragraph (4) or paragraph (14) of this schedule otherwise than in accordance with regulations made by the Secretary of State, or at more frequent intervals than may be prescribed by those regulations.

Where a workman has so submitted himself for examination by a medical practitioner, or has been examined by a medical practitioner selected by himself, and the employer or the workman, as the case may be, has within six days after such examination furnished the other with a copy of the report of that practitioner as to the workman's condition, then, in the event of no agreement being come to between the employer and the workman as to the workman's condition or fitness for employment, the registrar of a county court, on application being made to the court by both parties, may, on payment by the applicants of such fee not exceeding one pound as may be prescribed, refer the matter to a medical referee.

The medical referee to whom the matter is so referred shall, in accordance with regulations made by the Secretary of State, give a certificate as to the condition of the workman and his fitness for employment, specifying, where necessary, the kind of employment for which he is fit, and that certificate shall be conclusive evidence as to the matters so certified.

Where no agreement can be come to between the employer and the workman as to whether or to what extent the incapacity to the workman is due to the accident, the provisions of this paragraph shall, subject to any regulations made by the Secretary of State, apply as if the question were a question as to the condition of the workman.

If a workman, on being required so to do, refuses to submit himself for examination by a medical referee to whom the matter has been so referred as aforesaid, or in any way obstructs the same, his right to compensation and to take or prosecute any proceeding under this Act in relation to compensation, or, in the case of a workman in receipt of a weekly payment, his right to that weekly payment, shall be suspended until such examination has taken place.

Rules of court may be made for prescribing the manner in which documents are to be furnished or served and applications made under this paragraph and the forms to be used for those purposes and, subject to the consent of the Treasury, as to the fee to be paid under this paragraph.

(16) Any weekly payment may be reviewed at the request either of the employer or of the workman, and on such review may be ended, diminished, or increased, subject to the maximum above provided, and the amount of payment shall, in default of agreement, be settled by arbitration under this Act:

Provided that where the workman was at the date of the accident under twenty-one years of age and the review takes place more than twelve months after the accident, the amount of the weekly payments may be increased to any amount not exceeding fifty per cent. of the weekly sum which the workman would probably have been earning at the date of the review if he had remained uninjured, but not in any case exceeding one pound.

(17) Where any weekly payment has been continued for not less than six months, the liability therefor may, on application by or on behalf of the employer, be redeemed by the payment of a lump sum of such an amount as, where the incapacity is permanent, would, if invested in the purchase of an immediate life annuity from the National Debt Commissioners through the Post Office Savings Bank, purchase an annuity for the workman equal to seventy-five per cent. of the annual value of the weekly payment, and as in any other case may be settled by arbitration under this Act, and such lump sum may be ordered by the committee or arbitrator or judge of the county court to be invested or otherwise applied for the benefit of the person entitled thereto: Provided that nothing in this paragraph shall be construed as preventing agreements being made for the redemption of a weekly payment by a lump sum.

(18) If a workman receiving a weekly payment ceases to reside in the United Kingdom, he shall thereupon cease to be entitled to receive any weekly payment, unless the medical referee certifies that the incapacity resulting from the injury is likely to be of a permanent nature. If the medical referee so certifies, the workman shall be entitled to receive quarterly the amount of the weekly payments accruing due during the preceding quarter so long as he proves, in such manner and at such intervals as may be prescribed by rules of court, his identity and the continuance of the incapacity in respect of which the weekly payment is payable.

(19) A weekly payment, or a sum paid by way of redemption thereof, shall not be capable of being assigned, charged, or attached, and shall not pass to any other person by operation of law, nor shall any claim be set off against the same.

(20) Where under this schedule a right to compensation is suspended, no compensation shall be payable in respect of the period of suspension.

(21) Where a scheme certified under this Act provides for payment of compensation by a friendly society, the provisions of the proviso to the first subsection of section eight, section sixteen, and section forty-one of the Friendly Societies Act, 1896, shall not apply to such society in respect of such scheme.

(22) In the application of this Act to Ireland the provisions of the County Officers and Courts (Ireland) Act, 1877, with respect to money deposited in the Post Office Savings Bank under that Act shall apply to money invested in the Post Office Savings Bank under this Act.

SECOND SCHEDULE.

Arbitration, Etc.

(1) For the purpose of settling any matter which under this Act is to be settled by arbitration, if any committee. representative of an employer and his workmen, exists with power to settle matters under this Act in the case of the employer and workmen, the matter shall, unless either party objects by notice in writing sent to the other party before the committee meet to consider the matter, be settled by the arbitration of such committee, or be referred by them in their discretion to arbitration as hereinafter provided.

(2) If either party so objects or there is no such committee, or the committee so refers the matter or fails to settle the matter within six months from the date of the claim, the matter shall be settled by a single arbitrator agreed on by the parties, or in the absence of agreement by the judge of the county court, according to the procedure prescribed by rules of court.

(3) In England the matter, instead of being settled by the judge of the county court, may, if the Lord Chancellor so authorises, be settled according to the like procedure, by a single arbitrator

appointed by that judge, and the arbitrator so appointed shall, for the purposes of this Act, have all the powers of that judge.

(4) The Arbitration Act, 1889, shall not apply to any arbitration under this Act; but a committee or an arbitrator may, if they or he think fit, submit any question of law for the decision of the judge of the county court, and the decision of the judge on any question of law either on such submission, or in any case where he himself settles the matter under this Act, or where he gives any decision or makes any order under this Act, shall be final, unless within the time and in accordance with the conditions prescribed by rules of the Supreme Court either party appeals to the Court of Appeal; and the judge of the county court, or the arbitrator appointed by him, shall, for the purpose of proceedings under this Act, have the same powers of procuring the attendance of witnesses and the production of documents as if the proceedings were an action in the county court.

(5) A judge of county courts may, if he thinks fit, summon a medical referee to sit with him as an assessor.

(6) Rules of court may make provision for the appearance in any arbitration under this Act of any party by some other person.

(7) The costs of and incidental to the arbitration and proceedings connected therewith shall be in the discretion of the committee, arbitrator, or judge of the county court, subject as respects such judge and an arbitrator appointed by him to rules of court. The costs, whether before a committee or an arbitrator or in the county court, shall not exceed the limit prescribed by rules of court, and shall be taxed in manner prescribed by those rules, and such taxation may be reviewed by the judge of the county court.

(8) In the case of the death, or refusal or inability to act, of an arbitrator, the judge of the county court may, on the application of any party, appoint a new arbitrator.

(9) Where the amount of compensation under this Act has been ascertained, or any weekly payment varied, or any other matter decided under this Act, either by a committee or by an arbitrator or by agreement, a memorandum thereof shall be sent in manner prescribed by rules of court, by the committee or arbitrator, or by any party interested, to the registrar of the county court who shall, subject to such rules, on being satisfied as to its genuineness, record such memorandum in a special register without fee, and thereupon the memorandum shall for all purposes be enforceable as a county court judgment.

Provided that—

(*a*) no such memorandum shall be recorded before seven days after the despatch by the registrar of notice to the parties interested; and

(*b*) where a workman seeks to record a memorandum of agreement between his employer and himself for the payment of compensation under this Act and the employer, in accordance with rules of court, proves that the workman has in fact returned to work and is earning the same wages as he did before the accident, and objects to the recording of such memorandum, the memorandum shall only be recorded, if at all, on such terms as the judge of the county court, under the circumstances, may think just; and

(*c*) the judge of the county court may at any time rectify the register; and

(*d*) where it appears to the registrar of the county court, on any information which he considers sufficient, that an agreement as to the redemption of a weekly payment by a lump sum, or an agreement as to the amount of compensation payable to a person under any legal disability, or to dependants, ought not to be registered by reason of the inadequacy of the sum or amount, or by reason of the agreement having been obtained by fraud or undue influence, or other improper means, he may refuse to record the memorandum of the agreement sent to him for registration, and refer the matter to the judge who shall, in accordance with rules of court, make such order (including an order as to any sum already paid under the agreement) as under the circumstances he may think just; and

(*e*) The judge may, within six months after a memorandum of an agreement as to the redemption of a weekly payment by a lump sum, or of an agreement as to the amount of compensation payable to a person under any legal disability, or to dependants, has been recorded in the register, order that the record be removed from the register on proof to his satisfaction that the agreement was obtained by fraud or undue influence or other improper means, and may make such order (including an order as to any sum already paid under the agreement) as under the circumstances he may think just.

(10) An agreement as to the redemption of a weekly payment by a lump sum if not registered in accordance with this Act shall not, nor shall the payment of the sum payable under the agreement, exempt the person by whom the weekly payment is payable from liability to continue to make that weekly payment, and an agreement as to the amount of compensation to be paid to a person under a legal disability or to dependants, if not so registered, shall not, nor shall the payment of the sum payable under the agreement, exempt the person by whom the compensation is payable from liability to pay compensation, unless, in either case, he proves that the failure to register was not due to any neglect or default on his part.

(11) Where any matter under this Act is to be done in a county court, or by, to, or before the judge or registrar of a county court, then unless the contrary intention appear, the same shall, subject to rules of court, be done in, or by, to, or before the judge or registrar of, the county court of the district in which all the parties concerned reside, or if they reside in different districts the district prescribed by rules of court, without prejudice to any transf[illegible] provided by rules of court.

(12) The duty of a judge of county courts under this Act, or in England of an arbitrator appointed by him, shall, subject to rules of court, be part of the duties of the county court, and the officer of the court shall act accordingly, and rules of court may be made both for any purpose for which this Act authorises rules of court to be made, and also generally for carrying into effect this Act so far as it affects the county court, or an arbitrator appointed by the judge of the county court, and proceedings in the county court or before any such arbitrator, and such rules may, in England, be made by the five judges of county courts appointed for the making of rules under section one hundred and sixty-four of the County Courts Act, 1888, and when allowed by the Lord Chancellor as provided by that section, shall have full effect without any further consent.

(13) No court fee, except such as may be prescribed under paragraph (15) of the First Schedule to this Act, shall be payable by any party in respect of any proceedings by or against a workman under this Act in the court prior to the award.

(14) Any sum awarded as compensation shall, unless paid into court under this Act, be paid on the receipt of the person to whom it is payable under any agreement or award, and the solicitor or agent of a person claiming compensation under this Act shall not be entitled to recover from him any costs in respect of any proceedings in an arbitration under this Act, or to claim a lien in respect of such costs on, or deduct such costs from, the sum awarded or agreed as compensation, except such sum as may be awarded by the committee, the arbitrator, or the judge of the county court, on an application made either by the person claiming compensation, or by his solicitor or agent, to determine the amount of costs to be paid to the solicitor or agent, such sum to be awarded subject to taxation and to the scale of costs prescribed by rules of court.

(15) Any committee, arbitrator, or judge may, subject to regulations made by the Secretary of State and the Treasury, submit to a medical referee for report any matter which seems material to any question arising in the arbitration.

(16) The Secretary of State may, by order, either unconditionally or subject to such conditions or modifications as he may think fit, confer on any committee representative of an employer and his workmen, as respects any matter in which the committee act as arbitrators, or which is settled by agreement submitted to and approved by the committee, all or any of the powers conferred by this Act exclusively on county courts or judges of county courts, and may by the order provide how and to whom the compensation money is to be paid in cases where, but for the order, the money would be required to be paid into court, and the order may exclude from the operation of provisos (*d*) and (*e*) of paragraph (9) of this Schedule agreements submitted to and approved by the committee, and may contain such incidental, consequential, or supplemental provisions as may appear to the Secretary of State to be necessary or proper for the purposes of the order.

(17) In the application of this Schedule to Scotland—

(*a*) "County court judgment" as used in paragraph (9) of this Schedule means a recorded decree arbitral:

(*b*) Any application to the sheriff as arbitrator shall be heard, tried, and determined summarily in the manner provided by section fifty-two of the Sheriff Courts (Scotland) Act, 1876, save only that parties may be represented by any person authorised in writing to appear for them and subject to the

declaration that it shall be competent to either party within the time and in accordance with the conditions prescribed by act of sederunt to require the sheriff to state a case on any question of law determined by him, and his decision thereon in such case may be submitted to either division of the Court of Session, who may hear and determine the same and remit to the sheriff with instruction as to the judgment to be pronounced, and an appeal shall lie from either of such divisions to the House of Lords:

(c) Paragraphs (3), (4), and (8) shall not apply.

(18) In the application of this schedule to Ireland the expression "judge of the county court" shall include the recorder of any city or town, and an appeal shall lie from the Court of Appeal to the House of Lords.

THIRD SCHEDULE.

Description of Disease.	Description of Process.
Anthrax	Handling of wool, hair, bristles, hides, and skins.
Lead poisoning or its sequelae	Any process involving the use of lead or its preparations or compounds.
Mercury poisoning or its sequelae . .	Any process involving the use of mercury or its preparations or compounds.
Phosphorus poisoning or its sequelae . .	Any process involving the use of phosphorus or its preparations or compounds.
Arsenic poisoning or its sequelae . .	Any process involving the use of arsenic or its preparations or compounds.
Ankylostomiasis	Mining.

Where regulations or special rules made under any Act of Parliament for the protection of persons employed in any industry against the risk of contracting lead poisoning require some or all of the persons employed in certain processes specified in the regulations or special rules to be periodically examined by a certifying or other surgeon, then, in the application of this schedule to that industry, the expression "process" shall, unless the Secretary of State otherwise directs, include only the processes so specified.

This list of industrial diseases was added in 1907 as follows:—

Description of Disease or Injury.	Description of Process.
1. Poisoning by nitro- and amido- derivatives of benzene (dinitrobenzol, anilin, and others), or its sequelae . .	Any process involving the use of a nitro- or amido- derivative of benzene or its preparations or compounds.
2. Poisoning by carbon bisulphide or its sequelae .	Any process involving the use of carbon bisulphide or its preparations or compounds.
3. Poisoning by nitrous fumes or its sequelae	Any process in which nitrous fumes are evolved.
4. Poisoning by nickel carbonyl or its sequelae. .	Any process in which nickel carbonyl gas is evolved.
5. Arsenic poisoning or its sequelae . .	Handling of arsenic or its preparations or compounds.
6. Lead poisoning or its sequelae .	Handling of lead or its preparations or compounds.
7. Poisoning by Gonioma Kamassi (African boxwood) or its sequelae . .	Any process in the manufacture of articles from Gonioma Kamassi (African boxwood).
8. Chrome ulceration or its sequelae. .	Any process involving the use of chromic acid or bi-chromate of ammonium, potassium, or sodium, or their preparations.
9. Eczematous ulceration of the skin produced by dust or caustic or corrosive liquids, or ulceration of the mucous membrane of the nose or mouth produced by dust	[Repealed; but re-enacted in slightly altered form, by Order dated 2nd December, 1908.]

Description of Disease or Injury.	Description of Process.
10. Epitheliomatous cancer or ulceration of the skin or of the corneal surface of the eye, due to pitch, tar, or tarry compounds . .	Handling or use of pitch, tar, or tarry compounds.
11. Scrotal epithelioma (chimney-sweeps' cancer) . . .	Chimney-sweeping.
12. Nystagmus.	Mining.
13. Glanders .	Care of any equine animal suffering from glanders; handling the carcase of such animal.
14. Compressed air illness or its sequelae .	Any process carried on in compressed air.
15. Subcutaneous cellulitis of the hand (beat hand) .	Mining.
16. Subcutaneous cellulitis over the petella (minors' beat keen) .	Mining.
17. Acute bursitis over the elbow (miners' beat elbow) . .	Mining.
18. Inflammation of the synovial lining of the wrist-joint and tendon sheaths . .	Mining.

Further additions were made in 1908 as follows :—

Description of Disease or Injury.	Description of Process.
Cataract in glassworkers	Processes in the manufacture of glass involving exposure to the glare of molten
Telegraphists' cramp . .	
Eczematous ulceration of the skin produced by dust or liquids, or ulceration of the mucous membrane of the nose or mouth produced by dust.	Use of telegraphic instruments.

It is now the common practice for all employers to insure against the liabilities imposed upon them under the Act of 1906. A list of the companies undertaking this kind of business is given under *Insurance Companies*, and from them full particulars as to the cost of insurance must be obtained.

WRECK. (Fr. *Navire naufragé, naufrage*, Ger. *Schiffbruch*, Sp. *Naufragio*, It. *Naufragio.*)

A wreck is a ship cast on shore after being abandoned. Technically, a ship is not a wreck if any living thing is on board at the time of the stranding.

WRECKAGE. (Fr. *Naufrage, débris*, Ger. *Strandgut*, *Schiffstrümmer*, Sp. *Objetos arrojados por el mar*, It. *Avanzi di naufragio.*)

Goods cast upon the shore by the sea after a wreck are called wreckage.

WRIT. (Fr. *Assignation*, Ger. *Gerichtsbefehl*, Sp. *Citación*, It. *Citazione, mandato executivo.*)

A writ, which is also known as an act of summons, is a document which, generally speaking, commands a person to do a thing. When used in a legal sense it means the document by which an action is commenced in the High Court of Justice. It corresponds to the plaint note in the County Court. The writ must have the seal of the court before it can have any legal validity, and a payment of 10*s*. has to be made upon its issue. The writ is directed to the person whom it is proposed to make defendant in an action. It commands such person to enter an appearance at the High Court or at some other specified place within a period of eight days to

answer the demand of the plaintiff. It is issued in the name of the Lord Chancellor, or, if the office of Lord Chancellor is vacant, in the name of the Lord Chief Justice. The nature of the claim put forward by the plaintiff is indorsed on the writ. Strictly speaking, the writ should be served personally upon the defendant, but it is often arranged between the parties that service shall be made upon the solicitor who acts for the defendant. If the defendant cannot be traced, or if he is living without the jurisdiction, other methods of service must be resorted to. These are matters of practice into which it is unnecessary to enter. A writ is valid, and may be served, within twelve months of its date of issue; but if service has not been effected within that period application may be made for renewal, which will be granted, in ordinary circumstances, for successive periods of six months, though a fresh application has to be made after each six months. By keeping the writ alive the operation of the Statute of Limitations (*q.v.*) is prevented. After a writ has been served upon him, or after the interval allowed for substituted service, the defendant has eight days within which to enter an appearance. If he fails to do so, judgment may be entered against him. But if an appearance is entered then action runs its due course, unless in the meantime one of the parties withdraws from it. (See *Action.*)

WRITE OFF. (Fr. *Inscrire, défalquer,* Ger. *abschreiben,* Sp. *Descargar,* It. *Annullare.*)

In book-keeping, this term generally refers to the closing of an account by transferring the balance of a debt to the debit of profit and loss account.

WROUGHT GOLD. (Fr. *Orfévri,* Ger. *verarbeitetes Gold,* Sp. *Oro trabajado,* It. *Oro lavorato, orificeria.*)

The gold which is known by this name is made into two legal standards—one is 22 carats of pure gold, chiefly used for coins; the other is 18 carats, and is mostly used for the manufacture of jewellery and plate.

X. This letter is used in the following abbreviations:—

X.c., Ex Coupon.
X.d., Ex Dividend.
X. in., Ex Interest.
X. new, Ex New.

Y is used in the combination Y/A, as an abbreviation for York-Antwerp Rules (marine insurance).

YARD. (Fr. *Yard,* Ger. *Elle,* Sp. *Yarda,* It. *Jarda, Yard, Misura di lunghezza pai a metri* ·92.)

This is the British standard of length. It is defined by an Act of Parliament, passed in 1855, as the straight line or distance between the centres of the transverse lines in the two gold plugs in the bronze bar deposited in the office of the Exchequer when the temperature is at 62° Fahrenheit. If this standard should by any chance be destroyed, it may be replaced by means of its copies. Should these in turn fail the length must be restored by pendulum observations.

The measure of the yard is 3 feet or 36 inches.

YEARLY TENANCY. (See *Landlord and Tenant.*)

YEAR'S PURCHASE. (Fr. *Loyer d'un nombre (spécifié) d'années,* Ger. *Jahre der Miete,* Sp. *Años adelantados,* It. *Prezzo d'acquisto calcolato secondo la rendita di tanti anni.*)

This term is used to indicate that landed or house property is worth so many times its annual rental.

YEN. (Fr., Ger., Sp., and It., *Yen.*)

This is the new unit of value in Japan. It is represented by both gold and silver coins. The value of the gold twenty yen piece is £2 0*s.* 11¾*d.*, which gives the circulating value of the silver token yen at about 2*s.* 0½*d.*, or 9·76 yens at par are equal to £1.

YORK-ANTWERP RULES. (Fr. *Règlements York-Anvers,* Ger. *York-Antwerpen Statuten,* Sp. *Reglamentos York-Amberes,* It. *Statuti (Regolamenti) York-Anversa.*)

This is the name given to a set of rules in accordance with which underwriters agreed to act in the adjustment of named insurance losses. These rules were drawn up at a conference of underwriters held at Antwerp in 1887, as modified by a subsequent conference held at Liverpool in 1890.

ZOLLVEREIN. (Fr. *Zollverein,* Ger. *Zollverein,* Sp. *Zollvercin union aduanera,* It. *Zollrerein o unione commerciale tedesca.*)

This is the name of the union of the various German states, under the leadership of Prussia, established in 1818, to enable them, in their commercial dealings with other countries, to act as one. The need for such a union had long been

felt, for it was utterly ruinous to commerce to be compelled to cross a frontier every few miles. After the establishment of the Zollverein all import duties were collected on a common frontier, and the moneys received were divided among the different states in proportion to their populations. The affairs were managed by a council of delegates from the states. After the union of the Empire of Germany under one sovereign the Zollverein ceased to be of importance.

THE END

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